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TANF/MOE Adjustments

DESCRIPTION:

This premise reflects adjustments and funding shifts necessary to meet the Maintenance of Effort (MOE) funding requirements of the Temporary Assistance for Needy Families (TANF) program, as well as additional state funding requirements for the California Work Opportunity and Responsibility to Kids (CalWORKs) program. This premise consolidates the assumptions, methodology and budget line item expenditure amounts for the following: CalWORKs Administrative Cap Adjustment, County MOE Adjustment, Tribal TANF MOE Adjustment, General Fund (GF) MOE Work Participation Rate (WPR) Adjustment, GF MOE Adjustment, CalWORKs MOE Subaccount Funds, TANF Block Grant Transfer/Carry Forward and Total TANF Reserve.

Public Law (PL) 104-193, the federal welfare reform legislation, established the TANF program and a TANF block grant to replace the Aid to Families with Dependent Children program. The legislation also established the amount of MOE GF that states must contribute as a condition for receipt of the block grant. In any year in which the state meets the federal WPR for the CalWORKs program, the MOE requirement is reduced from 80 percent to 75 percent of the TANF block grant. The state has not met the WPR since Federal Fiscal Year (FFY) 2007.

The TANF program rules prohibit states from spending more than 15 percent of either their federal TANF funds or state MOE dollars on administrative costs. This premise reflects an adjustment to ensure California does not exceed this 15 percent cap.

In addition to TANF requirements for the state, this premise also reflects the individual county MOE requirement and the increased share of CalWORKs assistance payments that counties are required to draw down from the CalWORKs MOE Subaccount.

For other premise items pertaining to TANF and MOE, please refer to the “TANF/MOE in Other State Agencies” and “CalWORKs Non-MOE” premises.

IMPLEMENTATION DATE:

The TANF program and MOE requirements implemented on October 1, 1996. The MOE Subaccount funds implemented July 1, 2011.

KEY DATA/ASSUMPTIONS:

Administrative Cap Adjustment

- The administrative cap referenced in Code of Federal Regulations (CFR) sections 263.0 and 263.13 is applied statewide rather than to each county individually. Administrative activities include, but are not limited to, eligibility determinations, administrative costs incurred by contractors and automation costs not related to tracking and monitoring of TANF requirements, preparation of program plans, procurement, property management and costs of fraud and abuse units.

County MOE Requirement

- The individual county spending requirement is equal to the amount that was expended by the county for comparable activities in Fiscal Year (FY) 1996-97, as authorized in Welfare and Institutions Code (W&IC) section 15204.4. Failure to meet this required level of spending will result in a proportionate reduction in funds provided as part of the CalWORKs program single allocation.

TANF/MOE Adjustments

KEY DATA/ASSUMPTIONS (CONTINUED):

- Actual county expenditures in FY 1996-97 of $140,540,757 included expenditures made in the following programs: TANF; Non-Assistance Food Stamps; Greater Avenues for Independence (GAIN); Cal-Learn, Health & Safety (for child care); Transitional Child Care Administration; and the Non-GAIN Education & Training program. The $140,540,757 is the ongoing county MOE requirement. It is assumed that counties will meet 100 percent of the MOE with CalFresh Administration cost in FY 2012-13 and FY 2013-14 and will not, therefore, be required to spend any MOE funds in the CalWORKs program.

Tribal TANF MOE Adjustment

- Adjustments are made to the TANF MOE to account for Tribal TANF expenditures.
- The total federal TANF funds for Tribal TANF programs are $74.2 million and $86.1 million for FY 2012-13 and FY 2013-14, respectively. It is also projected that $69.0 million and $80.1 million in GF for FY 2012-13 and FY 2013-14, respectively, will be spent in Tribal TANF programs; $57.8 million and $67.1 million of these additional GF expenditures may be used to reduce the state's TANF MOE requirement for FY 2012-13 and FY 2013-14, respectively.

GF MOE WPR Adjustment

- The CalWORKs TANF Block Grant is $3.73 billion for both FY 2012-13 and FY 2013-14.
- In years that the state fails to meet the WPR, the MOE requirement is 80 percent of the TANF block grant (less TANF distributed to Tribal programs). California is not expected to meet the WPR in either FFY 2011 or FFY 2012 (though the official WPRs for FFY 2011 and FFY 2012 have not been announced by the Administration for Children and Families).

CalWORKs MOE Subaccount Funds

- Counties are required to pay an increased share of CalWORKs assistance costs up to the amount of funds available in the CalWORKs MOE Subaccount, as established in W&IC section 17601.2.
- The CalWORKs MOE Subaccount is expected to contain revenues of $1.1 billion in both FY 2012-13 and FY 2013-14.

TANF Carry Forward and Total TANF Reserve

- Unspent TANF funds from one FY may be carried forward to be spent in future FYs. The estimated carry forward available to be spent in FY 2012-13 is $245.2 million. The estimated TANF Carry Forward to be spent in FY 2013-14 is $148.9 million.
- The Total TANF Reserve was established by the Budget Act of 2000 to meet unforeseen program needs in the CalWORKs Program. There are currently no funds in the TANF Reserve.

TANF/MOE Adjustments

METHODOLOGY:

Administrative Cap Adjustment

Actual state and federal administrative expenditures from the first three quarters of FFY 2012 are added to projected final quarter expenditures and the total is compared to the net annual TANF grant and the required state MOE for FFY 2012.

Projected administrative expenditures appear slightly lower than the previous FFY. The administrative cap adjustment will be held to the Budget Act of 2012

County MOE Requirement

The County MOE Requirement is $140,540,757. If counties are projected to spend this amount or more for CalFresh Administration, counties will have met the MOE requirement solely within the CalFresh program and are, therefore, not required to spend additional MOE in the CalWORKs program. If counties are projected to spend less than this amount for CalFresh Administration, the projected expenditures are subtracted from $140,540,757 and the remaining balance is shifted from state to county dollars in CalWORKs Administration.

State MOE Requirement

The state's MOE is calculated by multiplying the TANF block grant ($3.73 billion) by 80 percent and subtracting the amount of MOE spent in the Tribal TANF program ($57.8 million in FY 2012-13 and $67.1 million in FY 2013-14). The projected MOE requirement is, therefore, $2.85 billion in FY 2012-13 and $2.84 billion in FY 2013-14.

The projected state and county expenditures countable toward the MOE are compared to the state's MOE level to determine the GF MOE adjustment, or the amount of expenditures necessary to meet the state's MOE level.

The specific methodology used to determine the GF MOE adjustment involves identifying projected California Department of Social Services (CDSS) local assistance expenditures that are TANF-eligible and calculating the federal, state (GF), county and reimbursement funds shares. Projected TANF-eligible expenditures for CDSS state support are then added to the projected local assistance expenditures.

Other state departments' expenditures for TANF-eligibles that meet the MOE requirements are also added to the CDSS state and county TANF costs. This total is then compared to the state's MOE level. The amount of projected expenditures above or below the MOE level is shifted to or from federal TANF funds. The GF MOE adjustment does not change the total funding available.

Both the FY 2012-13 and FY 2013-14 projections include projected GF expenditures by other state departments that are assumed countable toward fulfilling the TANF MOE requirement. These expenditures are further described in the "TANF/MOE in Other State Agencies" premise.

If projected expenditures exceed the combined total of the TANF Block Grant and the MOE requirement, the additional projected GF is considered Excess MOE needed to fund programs.

TANF/MOE Adjustments

FUNDING:

The administrative cap adjustment consists of a shift either from federal funds to the GF or from the GF to federal funds, whichever is necessary to keep the percentages consistent with the administrative cap requirement.

The increased county share equal to the projected revenues is funded by revenues from the CalWORKs MOE Subaccount, which offsets GF.

The county MOE adjustment is a shift from federal to county funds.

The GF MOE adjustment transfers costs to meet the state's base MOE level. The transfer is offset by a corresponding reverse adjustment to federal TANF funds.

The total TANF Reserve is funded with 100 percent federal TANF funds.

CHANGE FROM PRIOR SUBVENTION:

The decrease in GF savings for the CalWORKs MOE Subaccount in FY 2012-13 is due to decreased projected revenues. There is no change for the CalWORKs MOE Subaccount in FY 2013-14.

The decrease in GF costs for the MOE adjustment in both FY 2012-13 and FY 2013-14 is due to an increase in projected MOE-eligible expenditures in CalWORKs and in other departments.

There is no change for the Admin Cap Adjustment in FY 2012-13. The decrease in GF costs for FY 2013-14 is due to lower-than-anticipated administrative expenditures claimed by the counties (as of the December 2012 quarter).

There is no change to Excess MOE needed to fund programs in FY 2012-13. The decrease in Excess MOE needed to fund programs in FY 2013-14 is primarily due to increased TANF Carry Forward and decreased TANF spent in FY 2013-14.

The increase in TANF Carry Forward in FY 2012-13 is due to an increase in estimated unspent TANF from FY 2011-12. The increase in TANF Carry Forward in FY 2013-14 is due to decreased TANF spent in FY 2012-13.

There is no change for the County MOE Adjustment, the GF MOE WPR Adjustment or the TANF Reserve.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in GF savings for the CalWORKs MOE Subaccount shift is due to increased projected revenues.

The increase in GF costs for the GF MOE adjustment is due to a decrease in projected MOE-eligible expenditures in CalWORKs, primarily due to the implementation of the Non-MOE GF shift, which decreased available MOE.

The decrease in GF costs for the Admin Cap Adjustment for FY 2013-14 is due to lower-than-anticipated administrative expenditures claimed by the counties (as of the December 2012 quarter).

The decrease in Excess MOE needed to fund programs is primarily due to increased TANF Carry Forward and decreased TANF spent in FY 2013-14.

TANF/MOE Adjustments

REASON FOR YEAR-TO-YEAR CHANGE (CONTINUED):

The decrease in TANF Carry Forward is due to increased TANF spent in FY 2012-13.

There is no change for the County MOE Adjustment, the GF MOE WPR Adjustment or the TANF Reserve.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CalWORKs Assist.	Total	Federal	State	County	Reimb.
CalWORKs MOE Subaccount	$0	$0	-$1,089,390	$1,089,390	$0
GF MOE Adjustment	0	-1,457,356	1,457,356	0	0
Item 101 – CalWORKs Admin.					
County MOE Adjustment	0	0	0	0	0
Administrative Cap Adjustment	0	-224,600	224,600	0	0
Item 101 – TANF Page					
GF MOE WPR Adjustment	0	0	0	0	0
TANF Transfer/Carry Forward	245,245	245,245	0	0	0
Excess MOE Needed to Fund Programs	394,236	0	394,236	0	0
Total TANF Reserve	0	0	0	0	0

FY 2013-14

Item 101 – CalWORKs Assist.	Total	Federal	State	County	Reimb.
CalWORKs MOE Subaccount	$0	$0	-$1,120,551	$1,120,551	$0
GF MOE Adjustment	0	-1,808,587	1,808,587	0	0
Item 101 – CalWORKs Admin.					
County MOE Adjustment	0	0	0	0	0
Administrative Cap Adjustment	0	-217,600	217,600	0	0
Item 101 – TANF Page					
GF MOE WPR Adjustment	0	0	0	0	0
TANF Transfer/Carry Forward	148,892	148,892	0	0	0
Excess MOE Needed to Fund Programs	323,780	0	323,780	0	0
Total TANF Reserve	0	0	0	0	0

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CalWORKs Basic Grants

DESCRIPTION:

This premise reflects the basic costs of providing cash aid to eligible families. Basic costs have been adjusted to reflect the annual Cost-of-Living Adjustment (COLA) for Social Security (OASDI) benefits. The OASDI COLA increases the benefit level, reducing grant costs. The basic costs have also been adjusted for the impact of specific premises that are in the trend caseload but are also shown as separate premises. These adjustments are necessary in order to avoid budgeting the impact twice. This premise has been consolidated to now also include cases that were previously identified in the Safety Net and the Recent Noncitizen Entrants (RNEs) premises.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- For Fiscal Year (FY) 2012-13, a total of 11,878,875 All Other Families (AF) person-months and 2,118,575 Two-Parent (TP) person-months are anticipated. For FY 2013-14, 11,643,339 AF person-months and 2,002,607 TP person-months are projected.
- For both FY 2012-13 and FY 2013-14, AF cases consist of 2.29 persons. The TP cases consist of 3.60 persons for both FY 2012-13 and FY 2013-14.
- Adjustments are made for the estimated costs of current premises which are already included in the base period. These premises include: “Cal-Learn Bonuses,” “RNEs,” Safety Net,’’ “Proposition L” and ’’Assembly Bill (AB) 98 Subsidized Employment.’’ Another adjustment is made for the costs associated with new tribes establishing Tribal Temporary Assistance for Needy Families (TANF) programs.
- Costs are included for the Diversion Program. Based on the most recent California Work Opportunity and Responsibility to Kids (CalWORKs) Cash Grant Caseload Movement Reports (CA 237) and CalWORKs Expenditure Reports (CA 800D), the average monthly diversion caseload is estimated at 19 for FY 2012-13 and FY 2013-14, with an average cost per case (CPC) of $1,405.
- The estimated CalWORKs grant cost per person is based on an average of the actual cost per person from January 2012 to December 2012.
- The AF cost per person is $202.05 for FY 2012-13 and FY 2013-14. The TP cost per person is $155.64 for FY 2012-13 and FY 2013-14.
- The AF and TP basic costs are adjusted for the projected OASDI COLA change of 1.7 percent, effective January 1, 2013 and 0.6 percent on January 1, 2014.
- The OASDI COLA adjustment reflects the impact of the projected consumer price index COLAs on the average Social Security Benefits received by CalWORKs cases, resulting in a FY 2012-13 reduction in cash grants of $2,599,919 and a reduction of $3,308,464 in FY 2013-14.
- The FY 2012-13 and FY 2013-14 reflect a shift of funds from the RNE program for persons in mixed cases that are TANF-eligible.
- The projected monthly Safety Net caseload is 71,999 in FY 2012-13, and 72,299 in FY 2013-14.

CalWORKs Basic Grants

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Safety Net CPC is $402.33 in FY 2012-13 and FY 2013-14.
- The projected monthly RNE caseload is 40,427 (20,829 state-only cases) in FY 2012-13, and 39,792 (20,603 state-only cases) in FY 2013-14.
- The projected average monthly RNE CPC is $138.59 in FY 2012-13 and FY 2013-14.
- The FY 2013-14 county share of costs reflects a savings of $15,456,891. This amount is shifted from county to federal expenditures and is funded with the American Recovery and Reinvestment Act (ARRA) of 2009 TANF Emergency Contingency Funds (ECF). The unspent funds from TANF ECF are a reimbursement based on approval of California's final TANF ECF application for eligible expenditures that were incurred during Federal Fiscal Year (FFY) 2009 and FFY 2010. Detailed information on ARRA TANF ECF can be referenced in the Estimate Methodologies section of the 2009 May Revision through the 2011 May Revision.

METHODOLOGY:

- The person-months are multiplied by the cost per person to determine AF and TP basic costs.
- The AF and TP basic costs are reduced for the OASDI COLA adjustment.
- Diversion costs are calculated by multiplying the average monthly caseload by the CPC, and the annual Diversion costs are added to the basic grant costs.
- The total AF and TP basic costs are reduced by the amounts of the costs for "Cal-Learn Bonuses," "RNE's," new tribes establishing Tribal TANF programs and "Proposition L".
- The total Safety Net costs are determined by multiplying the caseload by the CPC by 12 months (71,999 x $402.33 x 12 = $347.6 million in FY 2012-13 and 72,299 x $402.33 x 12 = $349.0 million in FY 2013-14).
- The total RNE costs are determined by multiplying the state-only caseload by the CPC by 12 months (20,829 x $138.59 x 12 = $34.6 million in FY 2012-13 and 20,603 x $138.59 x 12 = $34.2 million in FY 2013-14).
- The costs are also adjusted to subtract the AB 98 Subsidized Employment grants from this premise so that it may be displayed separately.

DATA COMPARISON CHART:

FY 2012-13	AF	TP
Projected Person-months	11,878,875	2,118,575
Projected Case-months	5,180,282	588,644
Person Per Case	2.29	3.60

CalWORKs Basic Grants

DATA COMPARISON CHART (CONTINUED):

FY 2013-14	AF	TP
Projected Person-months	11,643,339	2,002,607
Projected Case-months	5,081,416	556,433
Person Per Case	2.29	3.60

FUNDING:

Basic grant costs are funded 90.8 percent TANF, 6.7 percent General Fund (GF), and 2.5 percent county. Due to a federal audit exception, effective September 1, 2009, TANF hardship cases are funded with GF Maintenance of Effort (MOE) instead of TANF funds. In addition, GF MOE is used to fund the RNE program with persons in mixed cases that are TANF eligible. The RNE grant costs are funded with 95 percent GF and five percent county funds. Safety Net costs associated with CalWORKs grants are 97.5 percent GF and 2.5 percent county.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 is due to a slight increase in the AF persons. The decrease in FY 2013-14 is due to a decline in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease is due to a decline in caseload.

CASELOAD (AF and TP):

	FY 2012-13	**FY 2013-14**
Average Monthly Caseload	480,744	469,821
Average Monthly Persons	1,166,454	1,137,162

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalWORKs Grants	$3,089,096	$2,435,323	$573,184	$80,589	$0

FY 2013-14

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalWORKs Grants	$3,022,730	$2,389,486	$569,824	$63,420	$0

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Subsidized Employment (AB 98)

DESCRIPTION:

This premise provides funding to counties outside of the California Work Opportunity and Responsibility to Kids (CalWORKs) program single allocation for the Assembly Bill (AB) 98 (Chapter 589, Statutes of 2007) Subsidized Employment (SE) program. Due to the implementation of the American Recovery and Reinvestment Act (ARRA) Emergency Contingency Fund SE program, AB 98 activities were suspended through September 30, 2010. The AB 98 program resumed after the end of ARRA. In addition, this premise reflects changes made to the program as a result of the enactment of Senate Bill (SB) 72 (Chapter 8, Statutes of 2011), effective March 24, 2011. SB 72 increased the maximum amount of funding that will be provided to the counties for this program, expanded the eligible population and increased the duration of qualifying job placements.

Under AB 98, the state's contribution toward a participant's wage subsidy was limited to 50 percent of a CalWORKs recipient's wage subsidy, not to exceed 50 percent of the Maximum Aid Payment for the Assistance Unit (AU). SB 72 increased the amount of SE costs that counties may claim up to 50 percent, less $56 [SB 1041 (Chapter 47, Statutes of 2012) increased this amount to $112 beginning October 2013], of the total wage costs for the participant, not to exceed 100 percent of the computed grant for the AU in the month prior to participation in SE. SB 72 also expanded the program to participants who become ineligible for CalWORKs due to the SE income, individuals in Welfare-to-Work sanction status and individuals who have exceeded the CalWORKs time limits and are receiving Safety Net benefits for their eligible children. However, wage subsidies may be eligible for AB 98 funding only if the individuals are not otherwise employed at the time of entry into the SE position. The state's contribution to the wage subsidy is generally limited to a maximum of six months for each participant, but may be available for a total of 12 months if the county determines that a longer subsidy is necessary in order to mutually benefit the employer and the participant. In addition, SB 72 stated that the expansion of the SE program is intended to be cost neutral.

IMPLEMENTATION DATE:

This premise originally implemented on January 1, 2008, but was suspended during ARRA SE. This premise reinstated AB 98 SE with the completion of ARRA as of September 30, 2010, and expanded the SE program with the passage of SB 72 on March 24, 2011. Counties experienced a delay in implementation of the expanded SE program due to planning and budget uncertainty. A phased-in implementation began in July 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.63.
- Based on caseload data submitted by counties and actual expenditures through December 2012, the average monthly AB 98 SE work subsidy was $487 per participant per month.
- Assumes participation in the AB 98 SE program lasts up to six months per participant. Counties are projected to serve approximately 5,330 participants in Fiscal Year (FY) 2012-13 and 8,000 participants in FY 2013-14.

Subsidized Employment (AB 98)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Assumes increased AB 98 SE participation in FY 2013-14 based on increased county implementation and the effects of the SB 1041 changes. SB 1041 extended the young child exemption through December 31, 2012, and required reengagement of those cases during the following 24-month period (by January 1, 2015) unless the case qualifies for another exemption from Welfare-to-Work requirements.
- Recipients' grants will be reduced due to the receipt of SE earnings, resulting in grant savings. The cost for CalWORKs services will be offset by the grant savings, resulting in the cost neutrality of the SE program.
- Due to delayed implementation in some counties, cases beginning the SE program in FY 2011-12 may complete the program in FY 2012-13, shifting a portion of costs and savings to FY 2012-13.
- Due to continued tracking of cases for SE program purposes, there will be no administrative savings for cases which "income off" of CalWORKs.
- Beginning October 2013, work subsidy will be reduced on average $57 for each case per month. This adjustment to work subsidy is a result of SB 1041 which increased the earned income disregard (EID) from $112 and 50 percent of the remaining income to $225 and 50 percent of remaining income.

METHODOLOGY:

For FY 2012-13, service costs are calculated by multiplying $487 (the average AB 98 SE wage subsidy) by the cases per month. For FY 2013-14, service costs are calculated by multiplying $430 (the average AB 98 SE wage subsidy after restoration of EID program) by the cases per month. The SE program is considered cost neutral with service costs (the wage subsidy) resulting in corresponding grant savings.

FUNDING:

The funding for the CalWORKs grant savings is 93.4 percent Temporary Assistance for Needy Families (TANF), 4.1 percent General Fund (GF) and 2.5 percent county. The funding for services is 95.8 percent TANF and 4.2 percent GF.

CHANGE FROM PRIOR SUBVENTION:

In FY 2012-13, service costs decreased (along with the associated grant savings) as a result of decreased SE caseload. In FY 2013-14, the decrease in services costs (along with the associated grant savings) is due to a decrease in wage subsidy (as a result of the EID restoration) as well as decrease in SE cases.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in service costs and associated grant savings reflects full implementation of the SE program along with increased participation due to SB 1041 changes.

Subsidized Employment (AB 98)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Subsidized Employment (AB 98)	-$15,562	-$14,534	-$639	-$389	$0
Item 101 – CalWORKs Services					
Subsidized Employment (AB 98)	15,562	14,907	655	0	0

FY 2013-14

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Subsidized Employment (AB 98)	-$20,632	-$19,269	-$847	-$516	$0
Item 101 – CalWORKs Services					
Subsidized Employment (AB 98)	20,632	19,763	869	0	0

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24-Month Early Engagement Redesign

DESCRIPTION:

This premise provides additional funding to redesign activities and services provided within the 24 months of the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) program. The 24-Month Early Engagement Redesign includes: 1) a more robust upfront appraisal, leading to more effective placement in work activities and referral to supportive services; 2) development of family stabilization plans to remove barriers to self-sufficiency (such as housing insecurity) and improve child well-being and 3) enhanced subsidized employment opportunities. The 24-Month Early Engagement Redesign was developed in collaboration with an Early Engagement stakeholder workgroup, including the County Welfare Directors Association, to identify changes to the WTW process necessary to successfully implement the program.

IMPLEMENTATION DATE:

Development of the Robust Appraisal tool will implement July 1, 2013, and the use of the Robust Appraisal tool will implement in January 1, 2014. The Family Stabilization and Barrier Removal will implement January 1, 2014. The Enhanced Subsidized Employment will implement November 1, 2013.

KEY DATA/ASSUMPTIONS:

- Based on actual caseload trend data from the WTW 25 and WTW 25A reports for calendar year 2012, the projected Employment Services caseload is 193,045 for Fiscal Year (FY) 2013-14.

Robust Appraisal

- There are one-time funds of $600,000 to develop an automated Robust Appraisal tool and approximately $2.19 million in one-time funding to provide training to county staff that will utilize this tool to assist WTW participants in identifying barriers to self-sufficiency.
- Based on Federal Fiscal Year 2011 data from the Research and Development Enterprise Project and the WTW 25 and WTW 25A report forms, it is assumed that 9.94 percent of the Employment Services caseload will be new work-eligible entrants.
- Funding includes an additional one hour of time with the CalWORKs participant to utilize the Robust Appraisal tool at the average caseworker cost per hour of $57.57.

Family Stabilization and Barrier Removal

- Based on data from the WTW 25 and WTW 25A report forms for FY 2012-13 (through January 2013), it is assumed that 5.5 percent of the projected Employment Services caseload will receive family stabilization services during the ramp up, and that beginning January 1, 2014, the percentage of the total caseload needing these services will increase to 7.5 percent beginning April 1, 2014.
- Assumes family stabilization planning will take two and a half hours per month at an Employment Services Worker cost per hour of $57.57.

24-Month Early Engagement Redesign

KEY DATA/ASSUMPTIONS (CONTINUED):

Enhanced Subsidized Employment

- The duration of each slot is six months.
- Enhanced Subsidized Employment will ramp up starting at 250 slots per month in November 2013 and increasing to 8,250 slots in June 2014.
- Casemonths are the number of times a cost is budgeted in a given time frame, the phased in ramp up of subsidized employment equates to 29,000 casemonths.
- Based on data reported by counties during the two-year Temporary Assistance for Needy Families (TANF) Emergency Contingency Fund subsidized employment program, and feedback from the Early Engagement stakeholder workgroup, the monthly cost per slot is $1,355.
- The cost per slot includes subsidized wages and benefits, non-wage employer costs (such as Worker's Compensation), supervision and training, and ongoing job development.
- It is assumed that grant savings will result from employment earnings and those savings will be reinvested in the Enhanced Subsidized Employment program to offset a portion of the costs.
- The average earnings for each slot is $1,000 per month.
- The Earned Income Disregard used in the grant calculation for CalWORKs cases is up to the first $225 of earned income and 50 percent of remaining income.

METHODOLOGY:

Robust Appraisal

- The projected CalWORKs Employment Services average monthly services caseload is multiplied by the percentage that will be new work-eligible entrants to derive the projected monthly Robust Appraisal caseload.
  - o 193,045 cases x 9.94 percent = 19,189 cases per month
- The average caseworker cost per hour is multiplied by the additional hours budgeted to perform a more robust appraisal to derive the additional cost per appraisal.
  - o $57.57 per hour x 1 hour = $57.57 per appraisal
- The projected Robust Appraisal time expenditures are the average monthly Robust Appraisal caseload multiplied by the additional cost per appraisal and six months.
  - o 19,189 cases per month x $57.57 per appraisal x 6 months = $6.63 million
- The total Robust Appraisal funding is the Robust Appraisal time plus the training and automation costs.
  - o $6.63 million + $2.19 million + $0.60 million = $9.42 million

24-Month Early Engagement Redesign

METHODOLOGY (CONTINUED):

Family Stabilization and Barrier Removal

- The Employment Services Worker cost per hour is multiplied by the monthly number of hours per case for family stabilization and barrier removal planning.
  - $57.57 per hour x 2.5 hours = $143.93 family stabilization cost
- The percent of the Employment Services caseload participating in stabilization activities during the initial ramp up period (January through March 2014) is multiplied by the Employment Services average monthly services caseload.
  - 193,045 cases x 5.5 percent = 10,617 cases per month
- The percent of the Employment Services caseload participating in stabilization activities once phased in (April through June 2014) is multiplied by the Employment Services average monthly services caseload.

o 193,045 cases x 7.5 percent = 14,478 cases per month

- The projected expenditures are the average monthly Family Stabilization caseload multiplied by the family stabilization plan cost and the number of months in the applicable time period.
  - 10,617 cases x $143.93 family stabilization cost x 3 months = $4.58 million
  - 14,478 cases x $143.93 family stabilization cost x 3 months = $6.25 million
  - $4.58 million + $6.25 million = $10.83 million

Enhanced Subsidized Employment

- The average monthly cost per slot is multiplied by the total number of casemonths.
  - $1,355 cost per slot x 29,000 casemonths = $39.30 million
- The monthly grant savings per slot are the earnings less the earned income disregard.
  - $1000 earnings - $225 disregard = $775
  - $775 x 50 percent = $387.50 monthly grant savings
- The total grant savings offset is the average monthly grant savings multiplied by casemonths.
  - $387.50 monthly grant savings x 29,000 casemonths = $11.24 million

24-Month Early Engagement Redesign

- The total 24-Month Early Engagement Redesign cost is the Robust Appraisal costs plus the Family Stabilization and Barrier Removal costs, plus the Enhanced Subsidized Employment costs less the grant savings offset.
  - $9.42 + $10.83 + $39.30 - $11.24 = $48.31 million

24-Month Early Engagement Redesign

FUNDING:

The Robust Appraisal automation costs are 100 percent TANF. For the remaining costs, the 24-Month Early Engagement Redesign serves the CalWORKs Employment Services caseload and includes the same ratio of expenditures for Recent Noncitizen Entrants, Safety Net and Hardship cases as that premise which are 100 percent GF and countable toward the state's Maintenance of Effort requirement. All other costs are 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
24-Month Early Engagement Subsidized Employment	$0	$0	$0	$0	$0
Item 101 - CalWORKs Services					
24-Month Early Engagement Redesign	0	0	0	0	0
24-Month Early Engagement Subsidized Employment	0	0	0	0	0
Item 141 – County Admin & Automation Projects					
24-Month Early Engagement Redesign - Automation	0	0	0	0	0

FY 2013-14

Item 101 - CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
24-Month Early Engagement Subsidized Employment	-$11,238	-$10,204	-$1,034	$0	$0
Item 101 - CalWORKs Services					
24-Month Early Engagement Redesign	47,707	46,690	1,017	0	0
24-Month Early Engagement Subsidized Employment	11,238	10,998	240	0	0
Item 141 – County Admin & Automation Projects					
24-Month Early Engagement Redesign - Automation	600	600	0	0	0

Cal-Learn

DESCRIPTION:

This premise reflects the cost of providing intensive case management, supportive services and fiscal incentives and disincentives to eligible teen recipients who are pregnant or parenting and participating in the Cal-Learn program. The Cal-Learn program was authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993). Assembly Bill 2772 (Chapter 902, Statutes of 1998) changed the status of the Cal-Learn program from a five-year federal demonstration project to a permanent program.

The Cal-Learn program provides services to encourage pregnant or parenting teens to stay in high school or an equivalent program and earn a diploma. Case management activities must meet the standards and scope of the Adolescent Family Life program. Those standards include case management activities such as arrangement and management of supportive services, development and review of the report card schedule, exemption and deferral recommendations and recommendations for bonuses and sanctions.

This premise includes the identification of cases, initial informing notices and referrals to orientation. Also included are the administrative time to process supportive services payments and county mandated activities performed by the county welfare departments. Those required activities include the final determination of deferrals, exemptions, bonuses and sanctions, good cause determinations and activities associated with fair hearings.

Effective March 31, 1999, the federal waivers for the Cal-Learn program expired. Without waiver authority, sanctioned Cal-Learn teen parents are not Temporary Assistance for Needy Families (TANF) program-eligible. This sanctioned caseload is funded with General Fund (GF).

The Cal-Learn program was suspended for Fiscal Year (FY) 2011-12 pursuant to SB 72 (Chapter 8, Statutes of 2011), except for bonuses paid for satisfactory progress and high school graduation. SB 1041 (Chapter 47, Statutes of 2012) restored the Cal-Learn program beginning July 1, 2012.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1994.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11331.7.
- Due to suspension of the Cal-Learn program in FY 2011-12, the projected caseload is based on FY 2010-11 actual caseload and expenditures. The projected Cal-Learn caseload was adjusted to account for the total California Work Opportunity and Responsibility to Kids (CalWORKs) caseload change from FY 2010-11 to FY 2012-13 and FY 2013-14.
- The projected average monthly caseload is 10,554 in FY 2012-13 and 10,354 in FY 2013-14.
- The counties re-implemented the Cal-Learn program based on the County Welfare Directors Association survey that was conducted in August 2012. Approximately, 81 percent of total caseload implemented by October 2012, 93 percent by January 2013, with all counties implementing by April 2013.

Cal-Learn

KEY DATA/ASSUMPTIONS (CONTINUED):

- Cal-Learn incentives include a $100 bonus per report card period for satisfactory progress and a $500 bonus upon graduation. The disincentive is a $100 sanction per report card period for failure to submit a report card or to make adequate progress.
- The sanctioned caseload (257 in FY 2012-13 and 321 in FY 2013-14) represents 3.1 percent of the projected Cal-Learn caseload. This is based on the actual sanctioned caseload compared to the total Cal-Learn caseload as reported on the monthly STAT 45 Reports from FY 2010-11.
- The sanctioned grant cost for FY 2012-13 and FY 2013-14 is $416 per month. These rates are based on the Maximum Aid Payment (MAP) for an assistance unit (AU) of two ($516) less $100 sanction for teens who fail to make adequate progress in school without demonstrating good cause.
- Based on the FY 2010-11 actual caseload, as reported on the STAT 45 Reports, it is assumed that 5.9 percent of the Cal-Learn participants receive the $100 bonus and 1.4 percent receives the $500 bonus.
- The average hourly eligibility worker (EW) cost is $57.57.
- It is assumed the EW requires one hour of administrative time per month for each case.
- The case management cost is $2,610 per case per year for all activities performed by the case manager. The rate is based on FY 2010-11 case management expenditures divided by the total Cal-Learn caseload.
- It is assumed that 17.8 percent of the total Cal-Learn caseload will utilize transportation services at a cost of $40.04 per month per participant. The utilization rate is based on FY 2010-11 caseload as reported on the monthly STAT 45 Reports. The cost is based on FY 2010-11 county transportation expenditure claims.
- It is assumed that 2.9 percent of the total Cal-Learn caseload will utilize ancillary services at a cost of $78.60 per month per participant. The utilization rate is based on FY 2010-11 caseload as reported on the monthly STAT 45 Reports. The cost is based on FY 2010-11 county ancillary expenditure claims.
- Subsidized child care is available for Cal-Learn participants attending high school. Please refer to the “CalWORKs Child Care - Stage One Services and Administration” premise for the assumptions and methodology used to develop the estimate.
- The funding for FY 2012-13 and FY 2013-14 for services and administration costs are based on the following key data/assumptions:
  - The FY 2012-13 automation costs are held to the Budget Act of 2012. The FY 2013-14 automation costs for Cal-Learn tracking is approximately $20 per participant per year and each county may contract a third party vendor for the case management.
  - The Recent Noncitizen Entrants (RNE) caseload (159 cases in FY 2013-14) represents 1.5 percent of the projected Cal-Learn caseload and is funded with GF.

Cal-Learn

METHODOLOGY:

- The case management cost was determined by multiplying the projected Cal-Learn caseload by the cost per case ($2,610).
- The administration cost was determined by multiplying EW cost of $57.57 per hour by the Cal-Learn caseload and then multiplied by 12 months to determine the annual county administration cost.
- The transportation cost was determined by multiplying the Cal-Learn caseload by the transportation utilization rate of 17.80 percent, multiplied by the transportation cost per case of $40.04 and then multiplied by 12 months to determine the annual cost.
- The ancillary service cost was determined by multiplying the Cal-Learn caseload by the ancillary utilization rate of 2.90 percent, multiplied by ancillary cost per case of $78.60 and then multiplied by 12 months to determine the annual cost.
- The utilization rates for the $100 (5.9 percent) and $500 (1.4 percent) bonuses were each multiplied by the total caseload and then multiplied by 12 to determine the annual costs. The 1.5 percent of bonuses for RNE cases are backed out and included in the CalWORKs basic grants premise. The bonuses are based on the projected caseload of the former Cal-Learn teens being served in the CalWORKs program.
- The state-only (sanctioned) rate was multiplied by the total caseload to determine the sanctioned caseload, multiplied by the MAP for an AU of two ($516) minus $100 to determine the sanctioned grant costs.

FUNDING:

Cal-Learn costs are 100 percent TANF, except for grants and services for the sanctioned caseload and the costs associated with the RNE caseload, which are 100 percent GF and are countable toward the TANF maintenance of effort requirement.

CHANGE FROM PRIOR SUBVENTION:

The decrease in bonuses for both FY 2012-13 and FY 2013-14 is due to a decreased caseload. The increase in sanctioned grants and intensive case management in FY 2012-13 is due to an increased caseload. The decrease in sanctioned grants and intensive case management costs in FY 2013-14 is due to a decrease in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in bonuses is due to a slight decrease in the caseload.

The increase in the sanctioned grants and case management is due to full implementation of Cal-Learn in FY 2013-14.

CASELOAD:	FY 2012-13	FY 2013-14
Average Monthly Caseload	10,554	10,354

Cal-Learn

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Cal-Learn Bonuses	$1,609	$1,609	$0	$0	$0
Cal-Learn Sanctioned Grants	1,283	0	1,283	0	0
Item 101 – CalWORKs Services					
Cal-Learn Intensive Case Management	28,275	27,173	1,102	0	0

FY 2013-14

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Cal-Learn Bonuses	$1,578	$1,578	$0	$0	$0
Cal-Learn Sanctioned Grants	1,602	0	1,602	0	0
Item 101 – CalWORKs Services					
Cal-Learn Intensive Case Management	35,291	33,916	1,375	0	0

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Quarterly Reporting (QR)/Prospective Budgeting (PB)

DESCRIPTION:

This premise reflects the administrative savings and grant/benefit costs associated with implementing a QR system to determine benefit amounts. The QR system uses PB projected income over a three-month period for the California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh and California Food Assistance Program (CFAP) programs.

Assembly Bill (AB) 444 (Chapter 1022, Statutes of 2002) required the replacement of the monthly reporting/retrospective budgeting system with a QR/PB system for CalWORKs. This bill also required the state to adopt the QR/PB system in the CalFresh program to the extent permitted by federal law, regulations, waivers and directives. The Code of Federal Regulations (CFR) requires states to determine CalFresh eligibility using either a prospective or retrospective budgeting methodology consistent with the state's Temporary Assistance for Needy Families (TANF) program unless a waiver is granted by the United States Department of Agriculture, Food and Nutrition Services (FNS).

Under the QR/PB system, recipients' eligibility and benefits for a three-month period are based on information provided on the Quarterly Eligibility Report Form (QR 7) and are determined using PB and income averaging rules. Recipients have mandatory mid-quarter reporting requirements during the quarter. All CalWORKs recipients with earnings are required to report: income that exceeds the Income Reporting Threshold (IRT), which is the greater of the CalWORKs eligibility limit or 130 percent of the Federal Poverty Level (FPL) for the family size; drug felony convictions; fleeing felon status; parole/probation violations and address changes. CalFresh recipients are only required to report address changes in mid-quarter.

Recipients have the option to report changes that would result in increased grant benefits when they occur. To determine whether the change results in increased benefits mid-quarter, currently reported income and reasonably expected income for the rest of the quarter are averaged for the current and remaining months and subsequent benefits are adjusted accordingly.

Households that are currently not required to submit monthly reports may have their benefits determined on either a prospective or retrospective basis at the state agency's option, unless specifically excluded from retrospective budgeting.

IMPLEMENTATION DATE:

The implementation of this premise varied by counties between November 1, 2003, and June 30, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: 7 CFR section 273.21(b) and Welfare and Institutions Code sections 11265.1-11265.3.
- The California Department of Social Services received a FNS waiver approval to implement QR/PB for the CalFresh program.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimated grant/coupon costs and administrative savings reflect the difference between the previous Monthly Retrospective Reporting Budgeting (MRRB) system and the current QR/PB reporting system.
- The Fiscal Year (FY) 2012-13 administrative savings for Non-Assistance CalFresh (NACF), CFAP and CalWORKs have been held to the 2012 November Estimate.
- The FY 2012-13 costs and savings are based on 18,127,705 NACF casemonths. The estimated CalWORKs and CFAP administrative savings in FY 2012-13 are based on 6,752,567 CalWORKs and 206,284 CFAP casemonths (as administrative savings have been held to the 2012 November Estimate) and the CalWORKs and CFAP grant costs are based on 6,745,247 CalWORKs and 196,533 CFAP casemonths.
- The FY 2013-14 costs and savings are based on 6,617,764 CalWORKs casemonths; 19,599,937 NACF casemonths; and 212,605 CFAP casemonths.
- It is assumed that 10.4 percent of the total NACF/CFAP cases are currently subject to change reporting (CR) based on the 2002 CalFresh Characteristics Survey. The remaining cases (16,242,423 NACF cases and 176,093 CFAP cases in FY 2012-13 and 17,561,544 NACF cases and 190,494 CFAP cases in FY 2013-14) are subject to QR.
- Based on actual caseload and expenditure data, the cost for on-going activities under monthly reporting was $42.75 per month per case for CalWORKs cases and $25.01 per month per case for NACF savings.
- The CalWORKs eligibility worker (EW) cost is $57.57 per hour.
- The CalFresh and CFAP EW cost is $58.27 per hour.
- Based on county time study data collected during October and November 2005, the amount of time needed for CalWORKs continuing case activities under QR/PB is 26 minutes per month at a cost of $24.95 per case.
- Based on county time study data collected during October and November 2005, the amount of time needed to process CalWORKs mid-quarter activities averages nine minutes per month per case at a cost of $8.63 per case.
- Based on county time study data collected during March 2005, the NACF/CFAP on-going case activities cost under QR/PB is $39.33 per case.
- Based on county time study data collected during March 2005, the NACF/CFAP mid-quarter case activities under QR/PB are estimated to cost $28.23 per case.
- Mid-quarter administrative activities for CalWORKs and NACF/CFAP cases include voluntary and mandatory mid-quarter reporting and county-initiated contact.
- The CalWORKs mid-quarter activities also include IRT reporting.
- The current cost for mailing a monthly report form to a recipient is $0.78. It is assumed that the cost for mailing the quarterly report is $0.78 per household/case.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that one-third of the total CalWORKs, NACF and CFAP cases will report each month under QR/PB. The remaining two-thirds of cases will only report outside their normal quarterly report month in certain circumstances. Based on the CalWORKs Report on Reasons for Discontinuances of Cash Grant (CA 253 CW), 8.73 percent of CalWORKs cases are discontinued each month, and 12.39 percent of those cases are discontinued due to income exceeding CalWORKs eligibility limits under MRRB.
- Under QR/PB some cases will experience a delay in being discontinued from the date they would have been reported under monthly reporting until their quarterly report month, as detailed below.
- The CalWORKs recipients with unearned income only are exempt from mid-quarter reporting when their income exceeds the IRT. This group of recipients accounts for 0.55 percent of the CalWORKs caseload under MRRB. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when their quarterly report is filed.
- It is assumed that 45.85 percent of CalWORKs cases with income between the CalWORKs eligibility limit and the IRT are discontinued due to excess earned income. It is assumed that 50 percent of these cases will receive one month of additional benefits and 50 percent will receive two months of additional benefits before being discontinued when a quarterly report is filed.
- Based on data from the Fraud Investigation Activity Report (DPA 266) for calendar year 2012, fraud cases account for 1.62 percent of total CalWORKs cases. Fifty percent of the cases will result in an overpayment for one month and 50 percent of the cases will result in a two-month overpayment. Based on fraud overpayment collection experience, it is assumed that 50 percent of the overpayments will be recovered after a six-month period.
- Based on Employment Development Department wage data, prior to becoming ineligible due to excess income, the average CalWORKs case receives a grant of $326 ($383 beginning October 2013 due to the earned income disregard restoration) and the average CFAP household receives a benefit of $85.
- Based on a county survey regarding Reduced Income Supplemental Payments applications, it is estimated that 2.72 percent of the total caseload will have decreased earnings and will report the decrease during non-quarterly report months.
- Under monthly reporting rules recipients may receive supplemental payments equal to 80 percent of the grant increase. Under QR/PB, CalWORKs recipients will receive a grant adjustment equal to 100 percent of the grant increase associated with a reported decrease in income. The average CalWORKs grant impact for cases that would report decreased income in non-quarterly report months is estimated at $112.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Under QR/PB CFAP cases receive a supplemental payment when they report decreased income. The average CFAP benefit for cases that would report decreased income in non-quarterly report months is $53.03. Based on data from the CA 253 for FY 2007-08, 0.86 percent of the adjusted CFAP monthly cases would become ineligible due to no eligible child, excess resources or no deprivation. It is assumed that 50 percent of these cases will continue to receive one additional month of their full grant and 50 percent will receive two additional months of their full grant before being discontinued.
- Based on data from the CA 253 for FY 2002-03, 4.73 percent of CalWORKs and CFAP cases were discontinued each month for not submitting a Monthly Eligibility Report (CW 7) under the monthly reporting system. It is assumed that 18.87 percent of these cases now delay discontinuance for one or two months under QR/PB. It is assumed that 50 percent of the remaining cases will continue to receive one additional month of their full grant and 50 percent will continue to receive two additional months of their full grant before being discontinued.
- The average CalWORKs monthly grant is $465.59 based on the CA 800 CalWORKs expenditure reports for the period January 2012 to December 2012.
- The average CFAP benefit per case is $319.76 based on the average coupon benefit per case for the period January 2012 to December 2012.
- It is estimated that seven CFAP cases per month in FY 2012-13 and eight cases in FY 2013-14 that otherwise would have discontinued due to exceeding income eligibility limits will not be discontinued until their quarterly report month. It is assumed that 50 percent of these cases will continue to receive one additional month of their full grant and 50 percent will continue to receive two additional months of their full grant before being discontinued.
- It is estimated that 43 CFAP cases per month in FY 2012-13 and 46 CFAP cases per month in FY 2013-14 that otherwise would have had their benefits discontinued due to increased income will continue to receive additional benefits until their quarterly report month. It is assumed that 50 percent of these cases will continue to receive one month of increased benefits and 50 percent will continue to receive two additional months of increased benefits.
- Based on county survey data, 4.47 percent of the NACF/CFAP caseload will report a change of address, household composition or shelter cost that will result in mid-quarter administrative activity. An additional 0.69 percent of the NACF/CFAP caseload will be subject to a county-initiated action during mid-quarter months.
- Effective October 1, 2008, Able-Bodied Adults Without Dependents are exempt from meeting the work requirements.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

METHODOLOGY:

Administration

- The CalWORKs, NACF and CFAP prospective budgeting administrative costs are calculated by adding the administrative costs to process the quarterly reports and mid-quarter changes.
- The CalWORKs administrative savings associated with continuing case activities under monthly reporting are calculated by multiplying the monthly continuing case cost by the total casemonths.
- The CalWORKs administrative costs associated with continuing case activities under QR/PB are calculated by multiplying the monthly continuing case cost by the casemonths of those required to report on a quarterly basis.
- The CalWORKs administrative costs to process mid-quarter changes are calculated by multiplying the casemonths by the cost per month.
- The NACF and CFAP administrative savings associated with no longer processing monthly reports are calculated by multiplying the monthly cost to process a continuing case by the total casemonths.
- The NACF and CFAP administrative costs to process quarterly reports are calculated by multiplying the quarterly cost to process a continuing case by the casemonths of cases required to report on a quarterly basis.
- The NACF and CFAP administrative costs to process a change resulting in increased benefits are calculated by multiplying the number of cases that would report their reduced earnings outside the QR months by the cost per case.
- The NACF and CFAP administrative costs to process a change of address, household composition or shelter costs during non-quarterly report months are calculated by multiplying the number of cases that would report the changes outside the QR months by the cost per case.
- The NACF and CFAP administrative costs to process county-initiated actions are calculated by multiplying the number of cases that would report the changes outside the QR months by the cost per case.
- The CalWORKs, NACF and CFAP administrative costs to mail QRs are calculated by multiplying the annual casemonths by one-third and adding additional reports based on the estimated number of casemonths reporting change of address or household composition to determine the number of cases in a quarter; then multiplying by the mailing cost, which is based on the monthly number of mid-quarter reports multiplied by $0.78.
- The CalWORKs, NACF and CFAP administrative savings due to not mailing monthly reports are calculated by multiplying the number of cases reporting monthly by the mailing cost.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

METHODOLOGY (CONTINUED):

Grants/Benefits

- The CalWORKs grant costs for not discontinuing cases with income over the CalWORKs eligibility limit but under the IRT until the QR are calculated by multiplying the impacted casemonths by the average grant per case assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant.
- The CalWORKs grant costs for those cases exempt from reporting when their income exceeds the IRT because they have unearned income only are calculated by multiplying the impacted casemonths by the associated average grant per case, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant.
- The CalWORKs grant costs for increasing the benefits of those cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average grant increase.
- Overpayments for those cases that will not report income exceeding the IRT are calculated by multiplying the average grant per case by the impacted casemonths of those that will not report, assuming that 50 percent receive one additional monthly grant and 50 percent receive two additional monthly grants and that 50 percent of the overpayments will be recovered after a six-month period.
- The CalWORKs grant and CFAP coupon costs associated with noncompliance cases who do not submit their monthly reports are calculated by multiplying the average monthly grant/coupon per case by the impacted casemonths, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant.
- The CalWORKs grant and CFAP coupon costs associated with not discontinuing ineligible cases until the quarterly report month are calculated by multiplying the monthly average grant/coupon per case by the impacted casemonths, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant.
- The CFAP coupon costs for not discontinuing cases with income over the eligibility limit are calculated by multiplying the impacted casemonths by the average grant per case, assuming 50 percent receive one month of additional grant and 50 percent receive two months of additional grant.
- The CFAP coupon costs for cases reporting a decrease in income during mid-quarter months are calculated by multiplying the impacted casemonths by the average coupon increase.

FUNDING:

CalWORKs

- The funding for CalWORKs grants for FY 2012-13 and FY 2013-14 is 90.8 percent TANF, 6.7 percent General Fund (GF) and 2.5 percent county.
- The funding for CalWORKs administration for FY 2012-13 and FY 2013-14 is 94.2 percent TANF and 5.8 percent GF.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

FUNDING (CONTINUED):

NACF and CFAP

For FY 2012-13 and FY 2013-14, the CalFresh funding is 50 percent FNS fund, 35 percent GF and 15 percent county funds. The CFAP costs are 100 percent GF with 14.3 percent as Maintenance of Effort (MOE) eligible in FY 2012-13 and 12.9 percent MOE eligible in FY 2013-14.

CHANGE FROM PRIOR SUBVENTION:

CalWORKs

The FY 2012-13 total CalWORKs administrative savings have been held to the 2012 November Estimate; however, the change in federal and state funding is due to the updated sharing ratio. The decrease in CalWORKs grant costs in FY 2012-13 is due to the decrease in estimated CalWORKs monthly average caseload. The decrease in administrative savings and grant costs in FY 2013-14 is due to the decrease in estimated CalWORKs monthly average caseload.

NACF and CFAP

The FY 2012-13 NACF administrative savings have been held to the 2012 November Estimate. The decrease in savings in FY 2013-14 is due to the decrease in estimated NACF monthly average caseload.

The FY 2012-13 CFAP administration costs have been held to the 2012 November Estimate. The decrease in CFAP grant costs for both FY 2012-13 and FY 2013-14 and administration costs in FY 2013-14 is due to a decrease in CFAP projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs

The decrease in administrative savings and grant costs is due to the decrease in estimated CalWORKs monthly average caseload.

NACF and CFAP

The increase in NACF administrative savings and CFAP grant costs and administrative savings reflect an increase in projected caseload.

Quarterly Reporting (QR)/Prospective Budgeting (PB)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – CalWORKs Assistance Payments	Total	Federal	State	County	Reimb.
Prospective Budgeting	$74,216	$67,371	$4,993	$1,852	$0
Item 101 – CalWORKs Administration					
Prospective Budgeting	-65,472	-61,699	-3,773	0	0
Item 101 – CFAP Benefits					
Prospective Budgeting	2,080	0	2,080	0	0
Item 141 – CalFresh Administration					
Prospective Budgeting	-166,848	-83,424	-58,397	-25,027	0
Item 141 – CFAP Administration					
Prospective Budgeting	-1,899	0	-1,899	0	0

FY 2013-14

Item 101 – CalWORKs Assistance Payments	Total	Federal	State	County	Reimb.
Prospective Budgeting	$73,759	$66,957	$4,962	$1,840	$0
Item 101 – CalWORKs Administration					
Prospective Budgeting	-64,165	-60,467	-3,698	0	0
Item 101 – CFAP Benefits					
Prospective Budgeting	2,305	0	2,305	0	0
Item 141 – CalFresh Administration					
Prospective Budgeting	-180,398	-90,199	-63,139	-27,060	0
Item 141 – CFAP Administration					
Prospective Budgeting	-1,957	0	-1,957	0	0

Semiannual Reporting (SAR)

DESCRIPTION:

This premise reflects the administrative savings as well as the cost of benefits and automation programming associated with implementing a SAR system for California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh and the California Food Assistance Program (CFAP) in accordance with the Assembly Bill 6 (Chapter 501, Statutes of 2011). The California Department of Social Services is required to replace the current Quarterly Reporting (QR)/Prospective Budgeting (PB) system with a SAR system to the extent permitted by federal law, regulations, waiver and directives.

Under SAR, recipients' eligibility and benefits are determined prospectively for a six-month period based on information reported by recipients on the semiannual report form. In addition, all CalWORKs recipients are required to report mid-period any changes in household income or any changes in income that exceed the income reporting threshold (IRT), established at 55 percent of the federal poverty level (FPL) based on an assistance unit (AU) of three, plus the amount of income last used to determine the AU's benefits; the level that would render the AU ineligible; or the amount that would render the recipient ineligible for federal Supplemental Nutrition Assistance Program benefits, whichever is less. CalFresh recipients must report mid-period if their income exceeds 130 percent of FPL.

The SAR is required for all CalWORKs and CalFresh cases, except certain child-only CalWORKs AUs who are required to report annually and certain CalFresh households who are subject to change reporting. Please refer to the Annual Reporting/Child-Only (AR/CO) premise for additional details and the relative impact to CalWORKs, CalFresh and CFAP for those cases.

The administrative savings that may be reflected in this premise are limited, per statute, to the net General Fund (GF) costs of SAR. Additional savings in excess of these net GF costs may be reflected to the extent that they are based on actual savings related to the change to SAR calculated based on data developed in consultation with the County Welfare Directors Association.

IMPLEMENTATION DATE:

Implementation of automation changes began in May 2012. This premise assumes statewide implementation of the new reporting requirements no later than October 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code sections 11265.1, 11265.2, 11265.3, 11450, 11450.12, 11450.13, 11451.5 and 18910.
- The estimated grant/benefit costs and administrative savings are based on statistical information comparing the QR/PB system to the SAR system.
- The Fiscal Year (FY) 2013-14 costs and savings are based on 2,509,000 CalWORKs casemonths (approximately 279,000 average cases monthly); 11,575,000 Non-Assistance CalFresh (NACF) casemonths (approximately 1,286,000 average cases monthly); and 144,000 CFAP casemonths (approximately 16,000 average cases monthly).

Semiannual Reporting (SAR)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The NACF and CFAP cases with an associated CalWORKs child-only case, who are currently change reporters, will shift to SAR effective October 1, 2013. These cases will require one additional SAR 7 report as compared to the AR/CO reporting requirements.
- The NACF and CFAP caseloads reflect an adjustment of 10.4 percent of cases that are change reporters (generally elderly or disabled households with no earned income or seasonal workers with infrequent changes in household income status), based on the 2002 CalFresh Characteristics Survey.
- Under SAR, the number of required CalWORKs reports will be reduced from four quarterly reports and one annual redetermination to one SAR report and one annual redetermination.
- Based on county time study data collected during October and November 2005, the amount of time needed for continuing case activities under QR/PB is 26 minutes ($24.95) per month per case for CalWORKs and 13 minutes ($13.11) per month per case for NACF and CFAP.
- The CalWORKs eligibility worker (EW) cost is $57.57 per hour.
- The CalFresh and CFAP EW cost is $58.27 per hour.
- Due to the reduced reporting under SAR, the time needed for CalWORKs continuing case activities is reduced to 19 minutes per month at a cost of $18.50 per case. The NACF and CFAP continuing case activities is nine minutes per month at a cost of $9.73 per case.
- Based on county time study data collected during October and November 2005, the amount of time needed to process mid-quarter activities (voluntary and mandatory mid-period reporting and county-initiated contact) is $8.63 per case for CalWORKs and $28.23 per case for NACF and CFAP. Mid-period activity costs per case are assumed to remain the same under SAR.
- The CalWORKs, NACF and CFAP household composition change reporting requirements remain the same as required under QR/PB; however, under SAR, counties are required to act on any voluntary CalFresh and CFAP household composition changes resulting in decreased benefits. It is assumed that the number of voluntary household composition change reports received under SAR will remain the same as those received under QR/PB, resulting in no fiscal impact due SAR implementation.
- The cost for mailing a report form to a recipient is $0.78.
- It is assumed that the new reporting requirements will result in increased client contact during the first year of implementation. Counties are provided an additional ten minutes of administrative time for five percent of CalWORKs cases and additional five minutes for two percent of NACF and CFAP cases.

Semiannual Reporting (SAR)

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that CalWORKs, NACF and CFAP cases will require an additional five minutes to perform income assessments at redetermination. The income assessments were previously performed during the QR report under QR/PB and under SAR will be combined with the annual redetermination. Under SAR some cases will experience a delay in having benefits decreased or being discontinued compared to the date they would have reported under QR/PB (e.g., cases with excess earned or unearned income [below the SAR IRT level], no longer eligible or non-compliant with reporting requirements). These cases will continue to receive benefits one to five months longer until their SAR report month (compared to one to two months longer under QR).
- Based on data from the CA 253 data for calendar year 2012, approximately 225 CalWORKs cases will have increased income mid-period that will not reach the previous QR IRT. (The SAR IRT savings will offset this additional cost.)
- Based on data from the CA 253 data for calendar year 2012, approximately 760 CalWORKs cases per month will have excess unearned income and will receive additional months of higher grant under SAR as opposed to QR/PB.
- Based on the data from the CA 253 for calendar year 2012, approximately seven CalWORKs cases per month would become ineligible for the following reasons: no eligible child, excess resources and no deprivation.
- Based on data from the CA 253 for calendar year 2012, approximately 4,500 CalWORKs cases and 143 CFAP cases per month would become ineligible for not submitting a QR-7 report (quarterly report).
- The average SAR CalWORKs monthly grant is $507.33 based on the CA 800 CalWORKs expenditure reports for the period July 2011 to June 2012.
- Based on a 2009 study of cases leaving CalWORKs, of the cases leaving CalWORKs prior to becoming ineligible due to excess income, the average CalWORKs case receives $1,312 income, resulting in a residual grant of $94.50 (assuming a $225 earned income disregard).
- Based on data from the Fraud Investigation Activity Report (DPA 266) for calendar year 2010, it is assumed that approximately 15 CalWORKs cases per month would stay on aid longer due to fraudulently failing to report. It is assumed that 50 percent of the overpayments will be recovered after a six-month period.
- Of the CalWORKs cases that would stay on aid longer (approximately 5,500 total cases per month identified above), it is assumed that 60 percent will receive one month of additional benefits, 40 percent will receive two months of additional benefits and 20 percent will receive three months of additional benefits before being discontinued when a SAR report is due.

Semiannual Reporting (SAR)

KEY DATA/ASSUMPTIONS (CONTINUED):

- In addition, some cases will experience an increase in earned income mid-period that will not reach the SAR IRT, resulting in additional months of continued grant costs. Based on Employment Development Department (EDD) wage data, an average of 10,000 CalWORKs case per month experience an increase of approximately $550.00 earned income, resulting in approximately $211.00 of continued grants (per month until the next reporting period). It is assumed the change from QR/PB to SAR will lead to CalFresh and CFAP cases staying on longer, resulting in a four percent caseload increase (approximately 21,000 NACF and 210 CFAP average cases per month in FY 2013-14).
- The average CFAP benefit per case is $319.76 based on the average benefit per case for the period of January 2012 through December 2012.
- The first tier CalWORKs IRT requires cases to report mid-period changes over 55 percent of the FPL (approximately $875). Based on EDD wage data, approximately 700 CalWORKs cases per month that reach this level of income change (and do not income off of CalWORKs) receive a monthly wage increase of approximately $1,100, resulting in an average grant savings of approximately $500 per case.
- The second tier CalWORKs IRT requires cases to report mid-period changes that result in the case becoming ineligible to receive CalWORKs benefits. Based on the EDD wage data, approximately 1,200 CalWORKs cases per month receive a monthly wage increase of approximately $1,250 (prior to becoming ineligible due to excess income), resulting in an average grant savings of $515 per case.
- The NACF and CFAP IRT of 130 percent of the FPL will result in the mid-period discontinuance of approximately 4,000 NACF and 40 CFAP households monthly. The estimate assumes one month of benefit savings (at $253 per month) for half of these CFAP households and two months of benefit savings for the other half. The discontinuance of these cases will result in administrative costs of $28.23 per case.
- The SAR automation costs have been estimated by the county consortia of Statewide Automated Welfare Systems, which include CalWORKs Information Network, Statewide Automated Welfare System Consortia and Los Angeles County Automated Determination, Evaluation and Reporting System. Automation changes began in FY 2011-12 and are assumed to be completed in FY 2013-14. The estimated SAR automation costs for FY 2012-13 are approximately $2.4 million and $7.0 million for CalWORKs and CalFresh, respectively. The costs for FY 2013-14 are estimated at $734,000 and $2.6 million for CalWORKs and CalFresh, respectively.
- Estimated FY 2013-14 training costs are approximately $4.4 million for CalWORKs and $3.1 million for CalFresh.
- Counties are provided one-time mailing costs to inform recipients of the conversion from QR/PB to SAR. Please refer to the CalWORKs and CalFresh Administration premises for additional details.

Semiannual Reporting (SAR)

METHODOLOGY:

Administration

- The CalWORKs, NACF and CFAP administrative savings associated with continuing case activities under SAR are calculated by multiplying the per case continuous costs by the casemonths of those required to report on a semiannual basis and comparing the cost to the requirement to report on a quarterly basis.
- The additional SAR 7 cost for NACF and CFAP cases with an associated CalWORKs child-only case is assumed to be $15.25 per year.
- The CalWORKs, NACF and CFAP administrative savings due to reduced mailing of report forms is calculated by multiplying the SAR caseload by the number of quarterly reports in one FY compared to the same caseload multiplied by the number of semiannual reports and multiplying the difference by $0.78 (the cost to mail one report).
- The administrative savings for reduced mailings are offset by the administrative costs for increased client contact, income assessment at redetermination and for cases staying on longer. The client contact costs are calculated by multiplying the additional caseworker time by the caseload impacted. The costs for income assessment at redetermination are calculated by multiplying the additional caseworker time by the caseload impacted. The increased CalFresh and CFAP caseload cost is calculated by multiplying the cumulated monthly increase in cases by the ongoing administrative cost per case.
- The total administrative savings are limited to the amount necessary to offset GF costs in each respective program.

Grants/Benefits

- Additional grant costs for not discontinuing cases until the SAR report (i.e., cases with excess earned or unearned income, no longer eligible or non-compliant with reporting requirements) are calculated by multiplying the average grant per case by the impacted casemonths, assuming that 60 percent will receive one month of additional benefits, 40 percent will receive two months of additional benefits and 20 percent will receive three months of additional benefits.
- For those noncompliant cases resulting in an overpayment, 50 percent of the overpayments on non-compliant cases will be recovered after a six-month period.
- The benefit costs for cases that experience increased income below the SAR IRT and therefore are not required to report the income is calculated by multiplying the number of cases with increased income by the average continued benefit cost for CalWORKs and CFAP, respectively.
- The benefit cost for cases that stay on longer in CFAP is calculated by multiplying the cumulated monthly increase in cases by the average CFAP benefit per month.

Semiannual Reporting (SAR)

METHODOLOGY (CONTINUED):

Grants/Benefits (Continued)

- The grant/benefit costs are offset by the savings from cases with increased earned income that reach the IRT. The IRT savings are calculated by multiplying the number of cases that experience the increased income by the average benefit savings for each program, respectively.

FUNDING:

Automation and Training

The automation and training costs attributed to the CalWORKs program are funded with 100 percent Temporary Assistance for Needy Families (TANF) funds. The automation and training costs attributed to the CalFresh program are funded with 50 percent federal Food and Nutrition Service funds and 50 percent GF.

CalWORKs

The funding for CalWORKs grants for FY 2012-13 and FY 2013-14 is 90.8 percent TANF, 6.7 percent GF and 2.5 percent county. The funding for CalWORKs administration for FY 2012-13 and FY 2013-14 is 94.2 percent TANF and 5.8 percent GF.

NACF and CFAP

The CalFresh administration funding is 50 percent Food and Nutrition Service fund, 35 percent GF and 15 percent county funds. The CFAP costs are 100 percent GF with 12.9 percent MOE eligible in FY 2013-14.

CHANGE FROM PRIOR SUBVENTION:

There is no change to CalWORKs (grants, administration, or training), CalFresh or CFAP benefit and administration in FY 2012-13 as implementation begins in FY 2013-14. The slight increase in SAR automation in FY 2012-13 is due to a rounding adjustment.

The increase in CalWORKs grants in FY 2013-14 is due to a technical change to the phased-in implementation, partially offset by a greater estimated rate of caseload decline. The increase in CalWORKs administration savings is due to higher grant costs related to SAR. The increase in CalFresh administration savings is due to higher automation costs related to SAR. The higher grant and automation costs allows for more administrative savings related to SAR to be realized (the administrative savings that may be reflected in this premise are limited, per statute, to the net GF costs of SAR). The decrease in CFAP administration savings and grant costs are due to decreased caseload and average benefit amount, slightly offset by AR/CO cases converting to SAR. There is no change to SAR training in FY 2013-14. The increase in SAR automation in FY 2013-14 is due to updated automation estimates.

REASON FOR YEAR-TO-YEAR CHANGE:

The increases in CalWORKs, CalFresh and CFAP benefit costs and administrative savings are due to program implementation occurring in FY 2013-14. The decrease in automation costs is due to the majority of automation changes occurring in FY 2012-13.

Semiannual Reporting (SAR)

EXPENDITURES:
(in 000s)

FY 2012-13

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance Payments					
Semiannual Reporting	$0	$0	$0	$0	$0
Item 101 – CalWORKs Administration					
Semiannual Reporting	0	0	0	0	0
Semiannual Reporting Training - CalWORKs	0	0	0	0	0
Item 101 – CFAP Benefits					
Semiannual Reporting	0	0	0	0	0
Item 141 – CalFresh Administration					
Semiannual Reporting	0	0	0	0	0
Semiannual Reporting Training - CalFresh	0	0	0	0	0
Item 141 – CFAP Administration					
Semiannual Reporting	0	0	0	0	0
Item 141 – Automation					
Semiannual Reporting Automation	9,385	5,900	3,485	0	0

FY 2013-14

	Total	Federal	State	County	Reimb.
Item 101 – CalWORKs Assistance Payments					
Semiannual Reporting	$2,658	$2,414	$178	$66	$0
Item 101 – CalWORKs Administration					
Semiannual Reporting	-7,818	-7,368	-450	0	0
Semiannual Reporting Training - CalWORKs	4,371	4,371	0	0	0
Item 101 – CFAP Benefits					
Semiannual Reporting	884	0	884	0	0
Item 141 – CalFresh Administration					
Semiannual Reporting	-5,774	-2,887	-2,887	0	0
Semiannual Reporting Training - CalFresh	3,104	1,552	1,552	0	0
Item 141 – CFAP Administration					
Semiannual Reporting	-446	0	-446	0	0
Item 141 – Automation					
Semiannual Reporting Automation	3,288	2,011	1,277	0	0

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Annual Reporting/Child-Only (AR/CO)

DESCRIPTION:

This premise reflects the implementation of an annual reporting system and its impacts to administration and benefits for California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh and the California Food Assistance Program (CFAP) in accordance with Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012). The California Department of Social Services is required to replace the Quarterly Reporting (QR)/Prospective Budgeting (PB) system with an AR/CO system for certain cases that receive child-only benefits in the CalWORKs program. To better align with federal Supplemental Nutrition Assistance Program (SNAP) requirements as required by SB 1041, these cases report according to CalFresh Change Reporting rules for purposes of CalFresh and CFAP benefits. However, effective October 1, 2013, when semiannual reporting (SAR) begins, these cases will convert to SAR for CalFresh and CFAP purposes. Costs associated with automation programming are included in the SB 1041 Automation premise.

Recipients' annual eligibility and benefits are determined prospectively based on information reported by recipients on the annual redetermination form. In addition, all CalWORKs recipients are required to report mid-period any changes in household composition or any changes in income that exceed the income reporting threshold (IRT), established at 55 percent of the federal poverty level (FPL) based on an assistance unit (AU) of three plus the amount of income last used to determine the AU's benefits; the level that would render the AU ineligible or the amount that would render the recipient ineligible for federal SNAP benefits, whichever is less. CalFresh and CFAP recipients must report mid-period if in any given month their earned income increases by more than $100 or unearned income increases by more than $50 or they have a change in income source.

All other cases are subject to QR/PB until the implementation of SAR. Please refer to the QR/PB and SAR premises for additional information. Automation costs are included within the SB 1041 estimate.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Welfare and Institutions Code sections 11265.45, 11265.46, 11265.47 and 11265.48.
- The estimated benefit costs and administrative savings are based on statistical information comparing the QR/PB system to the AR/CO system.
- The Fiscal Year (FY) 2012-13 costs and savings are based on 2,111,929 Non-Assistance CalFresh (NACF) casemonths and 232 CFAP casemonths. The CalWORKs administrative savings for FY 2012-13 have been held to the 2012 November Estimate. The estimated CalWORKs administrative savings in FY 2012-13 are based on 2,492,238 CalWORKs casemonths and the CalWORKs grant costs are based on 2,484,622 CalWORKs casemonths.

Annual Reporting/Child-Only (AR/CO)

KEY DATA/ASSUMPTIONS (CONTINUED):

- July 2013 through September 2013 costs and savings are based on 696,430 NACF casemonths and 74 CFAP casemonths. After SAR implements by October 2013, the additional reporting cost for AR/CO cases will be reflected in the SAR premise. The FY 2013-14 CalWORKs costs and savings are based on 3,266,887 casemonths.
- The AR/CO includes Safety Net and CalWORKs cases receiving child-only benefits, except those in which the adult is sanctioned for non-compliance with Welfare-to-Work requirements (a total of approximately 276,000 and 272,000 CalWORKs cases in FY 2012-13 and FY 2013-14, respectively).
- Approximately 235,000 and 232,000 NACF cases with an associated CalWORKs child-only case will be subject to change reporting due to AR/CO in FY 2012-13 and FY 2013-14, respectively.
- Approximately 25 CFAP cases will be subject to change reporting due to AR/CO in FY 2012-13 and FY 2013-14.
- Under AR/CO:
  - The number of required CalWORKs reports will be reduced from four quarterly reports and one annual redetermination to one annual redetermination.
  - Counties are required to perform one additional redetermination per year for NACF and CFAP cases with earned income.
  - CalFresh and CFAP cases must report mid-period a change of more than $100 in earned income, more than $50 in unearned income or a source of income.
- Based on county time study data collected during October and November 2005, the amount of time needed for CalWORKs continuing case activities under QR is 26 minutes ($24.95) per month per case and 13 minutes ($13.11) per month per case for NACF and CFAP.
- The CalWORKs eligibility worker cost is $57.57 per hour.
- The CalFresh and CFAP eligibility worker cost is $58.27 per hour.
- Due to the reduced reporting under AR/CO, the amount of time needed for CalWORKs continuing case activities is reduced to 15.9 minutes per month at a cost of $15.28 per case. Based on county time study data collected during October and November 2005, the amount of time needed to process mid-quarter activities (voluntary and mandatory mid-period reporting and county-initiated contact) is $8.63 per case for CalWORKs and $28.23 per case for NACF and CFAP. Mid-period activity costs per case remain the same under AR/CO.
- The AR/CO administrative costs that apply to both NACF and CalWORKs cases will be claimed by CalWORKs and shifted as appropriate from public assistance to non-assistance.
- It is assumed that CalWORKs, NACF and CFAP cases will require an additional five minutes to perform income assessments at redetermination/recertification. The income assessments were previously performed during the QR report under QR/PB and under AR/CO will be combined with the annual redetermination/recertification.

Annual Reporting/Child-Only (AR/CO)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The additional redetermination cost is assumed to be $42.14 per year per CalFresh and CFAP case with earned income (approximately 62,000 average monthly cases).
- The cost for mailing a report form to a recipient is $0.78.
- It is assumed that the new reporting requirements will result in increased client contact during the first year of implementation, requiring an additional ten minutes of administrative time for five percent of AR/CO cases. Under AR/CO some cases will experience a delay in having benefits decreased or being discontinued compared to the date they would have reported under QR/PB (e.g., cases with excess earned or unearned income, no longer eligible or non-compliant with reporting requirements). These cases will continue to receive benefits one to eleven months longer until their annual report month (compared to one to two months longer under QR).
- Based on the CA 800 CalWORKs expenditure reports for FY 2011-12, the average CalWORKs monthly grant for AR/CO cases is $417.96.
- Based on the average benefit per case for calendar year 2012, the average CFAP benefit per case is $319.76.
- Based on data from the CA 253 for calendar year 2012, approximately 440 CalWORKs cases will have excess unearned income and will receive additional months of higher grant under AR/CO as compared to QR/PB.
- Based on data from the Fraud Investigation Activity Report (DPA 266) for calendar year 2012, approximately ten CalWORKs cases per month would stay on aid longer due to fraudulently failing to report. It is assumed that 50 percent of the overpayments will be recovered after a six-month period.
- Based on data from the CA 253 for calendar year 2012, one CalWORKs case annually would become ineligible due to no eligible child, excess resources or no deprivation.
- Based on data from the CA 253 for FY 2011-12, approximately 2,500 monthly CalWORKs cases would become ineligible for not submitting a report.
- Of the CalWORKs cases that would stay on aid longer under AR/CO as compared to QR/PB (a total of approximately 3,000 cases per month as described above), 60 percent will receive one month of additional benefits as compared to QR/PB, 40 percent will receive two months of additional benefits and 20 percent will receive nine months of additional benefits (assumes 20 percent of cases will not report until their next reporting month).
- The first tier CalWORKs IRT requires cases to report mid-period changes over 55 percent of the FPL. Based on Employment Development Department (EDD) wage data, CalWORKs cases that reach this level of income change (and do not income out) received a monthly wage increase of approximately $1,084, resulting in an average grant savings of $542 per case, affecting approximately 500 cases.

Annual Reporting/Child-Only (AR/CO)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The second tier CalWORKs IRT requires cases to report mid-period changes that result in the case becoming ineligible to receive CalWORKs benefits. Based on EDD wage data, prior to becoming ineligible due to excess income, the average CalWORKs case received a monthly wage increase of $1,100, resulting in an average grant savings of $520 per case, affecting approximately 825 cases.
- Some cases will experience an increase in earned income mid-period that will not reach the AR/CO IRT, resulting in additional months of continued grant costs. Based on EDD wage data, an average of approximately 6,900 CalWORKs case per month experience an average increase of approximately $540.00 of earned income, resulting in an average increase of approximately $200.00 of continued grants until the next reporting month.
- It is assumed that approximately 29,000 CalFresh cases monthly will reach the change reporting thresholds and will be required to report mid-period.
- The AR/CO policy also requires cases to report changes in household composition. It is assumed that approximately 7,800 AR/CO cases will report a change in household composition and will be required to report mid-period for both their CalWORKs and CalFresh/CFAP benefits. It is assumed that household composition changes will result in mid-period administrative cost and a savings of $122.00 per case (the difference between the CalWORKs Maximum Aid Payment [MAP] for an AU of three and a CalWORKs MAP for an AU of two).

METHODOLOGY:

Administration

- The CalWORKs, NACF and CFAP administrative savings associated with continuing case activities under AR/CO are calculated by multiplying the per case continuing activities cost by the casemonths of those required to report on an annual basis (or twice per year for CalFresh and CFAP cases with earned income) and comparing the cost to the requirement to report on a quarterly basis.
- The CalWORKs and NACF administrative savings due to not mailing reports are calculated by multiplying the AR/CO caseload by the number of quarterly reports in one FY compared to the same caseload multiplied by the number of annual redeterminations/recertification and multiplying the difference by $0.78 (the cost to mail one report). CalFresh cases with earned income are required to be recertified twice per year, which will require additional mailing costs.
- The CalWORKs administrative savings are offset by the administrative costs for increased client contact and for cases staying on longer. The client contact costs are calculated by multiplying the additional caseworker time by the caseload impacted.
- The CalWORKs, NACF and CFAP administrative costs also include costs to process the AR/CO reports and mid-period changes (mid-period changes include household composition changes and changes in earned and unearned income), which are calculated by multiplying the mid-period cost per case by the respective cases impacted for each of the changes.

Annual Reporting/Child-Only (AR/CO)

METHODOLOGY (CONTINUED):

Grants/Benefits

- Additional grant costs for not decreasing benefits or discontinuing cases until the annual redetermination (i.e., cases with excess earned or unearned income and no longer eligible or non-compliant with reporting requirements) are calculated by multiplying the average grant per case by the impacted casemonths of those that will not report, assuming that 60 percent will receive one month of additional benefits, 40 percent will receive two months of additional benefits and 20 percent will receive nine months of additional benefits (assumes 20 percent of cases will not report until their next reporting month) before being discontinued when an AR/CO report is due.
- For those noncompliant cases resulting in an overpayment, 50 percent of the overpayments on non-compliant cases will be recovered after a six-month period.
- The benefit costs for cases that experience increased income below the IRT and therefore are not required to report the income are calculated by multiplying the number of cases with increased income by the average continued benefit cost for CalWORKs.
- The benefit cost for cases that stay on longer in CFAP are calculated by multiplying the cumulated monthly increase in cases by the average CFAP benefit per month.
- The grant/benefit costs are offset by the savings from cases with increased earned income that reach the IRT. The IRT savings are calculated by multiplying the number of cases that experience the increased income by the average benefit savings for each program, respectively.

FUNDING:

CalWORKs

The funding for CalWORKs grants for FY 2012-13 and FY 2013-14 is 90.8 percent Temporary Assistance for Needy Families (TANF) funds, 6.7 percent general fund (GF) and 2.5 percent county. The funding for CalWORKs administration for FY 2012-13 and FY 2013-14 is 94.2 percent TANF and 5.8 percent GF.

NACF and CFAP

The CalFresh funding is 50 percent Food and Nutrition Service fund, 35 percent GF and 15 percent county funds. The CFAP costs are 100 percent GF with 14.3 percent as Maintenance-of-Effort (MOE) eligible in FY 2012-13 and 12.9 percent MOE eligible in FY 2013-14.

Annual Reporting/Child-Only (AR/CO)

CHANGE FROM PRIOR SUBVENTION:

CalWORKs

The FY 2012-13 total CalWORKs administrative savings have been held to 2012 November Estimate; the change in federal and state funding is due to the updated sharing ratio. The decrease in CalWORKs grant costs in FY 2012-13 is due to a technical change to the phased-in implementation, partially offset by a greater estimated rate of caseload decline. The decrease in administrative savings in FY 2013-14 is due to the decrease in estimated CalWORKs monthly average caseload. The increase in CalWORKs grant costs in FY 2013-14 is due to a technical change to the phased-in implementation, partially offset by a greater estimated rate of caseload decline.

NACF and CFAP

The decrease in FY 2012-13 is due to decreased caseload and an updated assumption for the number of cases that will report changes. The decrease in FY 2013-14 is due to AR/CO cases converting to SAR effective October 2013.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs

The increase in CalWORKs grant cost and administrative savings is primarily due to a full year of program implementation.

NACF and CFAP

The decrease for CalFresh Administration is due to AR/CO cases converting to SAR. There is no change for CFAP benefits.

EXPENDITURES:

(in 000s)

	FY 2012-13				
Item 101 – CalWORKs Assistance Payments	**Total**	**Federal**	**State**	**County**	**Reimb.**
Annual Reporting/Child-Only	$5,398	$4,901	$362	$135	$0
Item 101 – CalWORKs Administration					
Annual Reporting/Child-Only	-19,350	-18,235	-1,115	0	0
Item 101 – CFAP Benefits					
Annual Reporting/Child-Only	1	0	1	0	0
Item 141 – CalFresh Administration					
Annual Reporting/Child-Only	9,684	4,842	3,389	1,453	0

Annual Reporting/Child-Only (AR/CO)

EXPENDITURES (CONTINUED):
(in 000s)

	FY 2013-14				
Item 101 – CalWORKs Assistance Payments	**Total**	**Federal**	**State**	**County**	**Reimb.**
Annual Reporting/Child-Only	$10,425	$9,465	$700	$260	$0
Item 101 – CalWORKs Administration					
Annual Reporting/Child-Only	-24,984	-23,454	-1,530	0	0
Item 101 – CFAP Benefits					
Annual Reporting/Child-Only	1	0	1	0	0
Item 141 – CalFresh Administration					
Annual Reporting/Child-Only	3,185	1,592	1,115	478	0

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Earned Income Disregard Restoration

DESCRIPTION:

This premise reflects the cost to the California Work Opportunity and Responsibility to Kids (CalWORKs) program as a result of restoring the Earned Income Disregard (EID). Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012) repealed the prior Budget Act of 2011 action, which reduced the EID used in the grant calculation for CalWORKs recipients up to the first $112 of earned income, from the previous EID of the first $225 earned income. SB 1041 restored the EID to the first $225 of earned income and 50 percent of remaining income for all CalWORKs cases. This premise would result in increased CalWORKs costs beginning October 1, 2013, for cases with earned income and for some cases that will no longer be discontinued due to the higher income eligibility threshold.

IMPLEMENTATION DATE:

This premise will implement October 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11451.5, as amended by SB 1041.
- It is assumed that approximately 0.8 percent of the total CalWORKs caseload (4,282 in Fiscal Year [FY] 2013-14) will no longer be discontinued when CalWORKs cases are provided the increased EID resulting in a higher income eligibility threshold. The assumption is based on the reported incomes from a sample of 3,500 cases in Federal Fiscal Year (FFY) 2010 Research and Development Enterprise Project (RADEP) data.
- Due to the relatively small sample and the fact that cases will be impacted at varying grant levels, the estimate uses the average monthly grant cost for the cases no longer discontinued. Based on actual expenditure data from July 2012 through December 2012, the CalWORKs average monthly grant cost per case (CPC) is $466.85.
- Based on a grant calculation simulation using incomes from FFY 2010 RADEP data, this policy will result in an increase in the average monthly grant of approximately $2.04 for all CalWORKs cases.
- For cases that will no longer be discontinued, the increase of $2.04 is added to the average grant of $466.85 resulting in a cost of $468.89 per case.
- The estimate assumes administrative costs for cases that will no longer be discontinued. Administrative costs are assumed to be $33.58 per case per month, $8.63 per case per month for mid-quarter activities and $24.95 per case per month for quarterly activities.
- Approximately 54.83 percent of cases no longer discontinued, or 2,348 cases in FY 2013-14, are assumed to receive CalWORKs Employment Services.
- The Employment Services CPC is $382.37 in FY 2013-14.
- The projected average monthly CalWORKs caseload from October 2013 through June 2014 is assumed to be 550,759.

Earned Income Disregard Restoration

METHODOLOGY:

- Total CalWORKs grant costs are the sum of the cases no longer discontinued multiplied by the CPC then by nine months and the total CalWORKs caseload multiplied by the average grant increase by nine months:
  ((4,282 x $468.89 x 9) + (550,759 x $2.04 x 9) = $28.2 million).
- For CalWORKs administration costs, the number of cases no longer discontinued is multiplied by the CPC then by nine months (4,282 x $33.58 x 9 = $1.3 million).
- For CalWORKs employment services costs, the number of cases no longer discontinued receiving employment services is multiplied by the cost per case and by nine months (2,348 x $382.37 x 9 = $8.0 million).

FUNDING:

The funding for CalWORKs grant costs is 90.8 percent Temporary Assistance for Needy Families (TANF), 6.7 percent General Fund (GF), and 2.5 percent county funds. The funding for employment services is 97.9 percent TANF and 2.1 percent GF. The funding for administration costs is 94.2 percent TANF and 5.8 percent GF.

CHANGE FROM PRIOR SUBVENTION:

This new premise implements in FY 2013-14. The decrease in FY 2013-14 is due to a decline in caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Earned Income Disregard Restoration – Grants	$0	$0	$0	$0	$0
Item 101 – CalWORKs Services					
Earned Income Disregard Restoration – Services	0	0	0	0	0
Item 101 – CalWORKs Administration					
Earned Income Disregard Restoration – Admin	0	0	0	0	0

Earned Income Disregard Restoration

EXPENDITURES (CONTINUED):

(in 000s)

FY 2013-14

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Earned Income Disregard Restoration – Grants	$28,184	$25,589	$1,892	$703	$0
Item 101 – CalWORKs Services					
Earned Income Disregard Restoration – Services	8,080	7,908	172	0	0
Item 101 – CalWORKs Administration					
Earned Income Disregard Restoration – Admin	1,295	1,220	75	0	0

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Pregnant Mothers (AB 1640)

DESCRIPTION:

This premise reflects the costs of providing early eligibility to pregnant teenagers in the California Work Opportunity and Responsibility to Kids (CalWORKs) program.
Assembly Bill (AB) 1640 (Chapter 778, Statutes of 2012) requires that CalWORKs benefits be paid at any time after verification of pregnancy to pregnant teens 18 years of age or younger who are ineligible for the Cal-Learn program. The CalWORKs benefits will be provided to these teens in an amount equal to that provided in an assistance unit (AU) of one if the mother and child, once born, would be otherwise eligible. This provision only applies when the Cal-Learn program is operative. When the Cal-Learn program is not operative, the CalWORKs benefits would be paid to a pregnant mother in the month in which the birth is anticipated, and the three months immediately prior.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11450.
- Verification of pregnancy may occur as soon as the first month of pregnancy; therefore, this policy change results in an increase of an additional five months of CalWORKs benefits for the eligible cases.
- Based on the California Department of Social Services/Medi-Cal Eligibility Data System longitudinal database (February 2013) and Welfare Data Tracking Implementation Project (April 2013), approximately 253 cases will be eligible for CalWORKs benefits during first and second trimesters.
- For Fiscal Year (FY) 2012-13, implementation is assumed to occur over a six-month period, beginning in January 2013. Approximately 42 cases are phased in each month resulting in all 253 cases being enrolled by June 2013.
- Full year implementation is assumed in FY 2013-14.
- A $47 special needs payment per month would be paid to the eligible pregnant mothers upon verification of pregnancy and continues for the duration of pregnancy.
- It is assumed that the eligible pregnant mothers will be receiving a monthly CalWORKs grant in the amount equal to the Maximum Aid Payment (MAP) for an AU of one ($317).
- The average monthly administrative cost per case (CPC) is $33.58.
- Approximately 88.5 percent of the eligible cases are required to participate in Welfare-to-Work, and these cases will require employment services.
- The average monthly CPC for employment services is $330.26 in FY 2012-13 and $382.37 in FY 2013-14.

Pregnant Mothers (AB 1640)

METHODOLOGY:

- The grant costs for FY 2012-13 are calculated by multiplying the MAP for an AU of one, plus the special needs payment ($317 + $47 = $364), by the phased-in caseload ((42+84+126+168+211+253) x $364) in FY 2012-13 and by the full caseload over 12 months (253 x $364 x 12) for FY 2013-14.
- The administration costs are calculated by multiplying the CPC, by the phased-in caseload ((42+84+126+168+211+253) x $33.58) for FY 2012-13 and by the full caseload over 12 months (253 x $33.58 x 12) for FY 2013-14.
- Employment services costs are calculated by multiplying the CPC, by the percentage of cases that are receiving employment services (88.5 percent), by the phased in caseload (((42+84+126+168+211+253) x .885) x $330.26) for FY 2012-13 and by the total cases over 12 months ((253 x .885) x $382.37 x 12) for FY 2013-14.

FUNDING:

- The funding for the grant costs is 90.8 percent federal Temporary Assistance to Needy Families (TANF), 6.7 percent General Fund (GF) and 2.5 percent county.
- The funding for the administration costs is 94.2 percent TANF and 5.8 percent GF.
- The funding for the services costs is 97.9 percent TANF and 2.1 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 funding for administration and employment services has been held to the 2012 November Estimate. The change in grants for FY 2012-13 is due the updated funding ratio. There is no change in administration costs for FY 2013-14. The change in grants and employment services in FY 2013-14 is due to the updated funding ratio.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to full-year implementation.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Pregnant Mothers (AB 1640) - Grants	$322	$292	$22	$8	$0
Item 101 – CalWORKs Services					
Pregnant Mothers (AB 1640) - Services	259	255	4	0	0
Item 101 - CalWORKs Administration					
Pregnant Mothers (AB 1640) - Administration	30	28	2	0	0

Pregnant Mothers (AB 1640)

EXPENDITURES (CONTINUED):
(in 000s)

FY 2013-14

Item 101 - CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
Pregnant Mothers (AB 1640) - Grants	$1,105	$1,003	$74	$28	$0
Item 101 – CalWORKs Services					
Pregnant Mothers (AB 1640) - Services	1,029	1,007	22	0	0
Item 101 - CalWORKs Administration					
Pregnant Mothers (AB 1640) - Administration	102	96	6	0	0

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CalWORKs Employment Services

DESCRIPTION:

This premise reflects the cost of providing employment and training services to individuals in the California Work Opportunity and Responsibility to Kids (CalWORKs) Welfare-to-Work (WTW) program. Employment services provided to WTW participants include a wide variety of work, educational, and training activities designed to assist individuals in obtaining and retaining employment. The CalWORKs Employment Services premise includes funding previously identified for CalWORKs Basic Services, Safety Net, and Recent Noncitizen Entrants (RNE). This premise is also consolidated with any updated assumptions for the unchanged County Performance Incentives premise.

Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012), resulted in significant changes to the CalWORKs WTW program, including a new time limitation on Employment Services (WTW 24-Month Clock), alignment of CalWORKs hourly work requirements to federal participation requirements and changes to certain WTW exemptions. Most of these changes were effective January 1, 2013; however, certain provisions, such as the 20 percent WTW 24-Month Clock extensions will not have an impact until January 1, 2015.

The 2013-14 Governor's Budget revised the budgeting methodology for CalWORKs Employment Services to provide additional resources necessary to maximize successful outcomes under the new program structure where the full array of WTW activities for CalWORKs adults generally will be limited to 24 months, except for those families that meet federal work participation requirements. These resources will fund the array of employment services and job development activities, and intensify case management efforts.

Detailed descriptions of the CalWORKs Employment Services historic methodology and unchanged premises can be referenced in the 2012 May Revision, Estimate Methodologies section.

IMPLEMENTATION DATE:

This premise implemented January 1, 1998.

KEY DATA/ASSUMPTIONS:

<u>Basic Services</u>

- Authorizing statute: Welfare and Institutions Code section 15204.3(a)
- The CalWORKs Employment Services funding for FY 2012-13 is held to the prior subvention.
- Based on actual caseload trend data from the WTW 25 and WTW 25A reports for calendar year 2012, the Employment Services caseload is projected to be 193,045 for FY 2013-14. The impact of reengaging cases previously receiving the Short-Term Reform exemptions is reflected separately in the WTW Services (SB 1041) premise.
- Beginning in FY 2013-14, the CalWORKs Employment Services monthly cost per case (CPC) is $382.37 based on a three-year average of the funding and caseload from FY 2006-07 through FY 2008-09. Detailed information how the methodology for CalWORKs Employment Services was developed can be referenced in the 2013-14 Governor's Budget, Estimate Methodologies section.

CalWORKs Employment Services

KEY DATA/ASSUMPTIONS (CONTINUED):

- Contract costs are projected to be $3,888,308.
- Hardship cases are estimated to be 0.12 percent of the total Employment Services expenditures for FY 2013-14 based on county expenditure claims from calendar year 2012. The amount shifted from Temporary Assistance to Needy Families (TANF) to General Fund (GF)/ Maintenance of Effort (MOE) for hardship expenditures in FY 2013-14 is $1,058,766.
- Based on actual Safety Net services expenditures and caseload data from calendar year 2012, the services funding for Safety Net cases in FY 2013-14 is $2,699,458.
- Based on caseload information from the CA 800 report, the state-only RNE recipients who are ineligible for TANF benefits make up approximately 51.63 percent of RNEs and the remaining 48.57 percent are federally eligible recipients in mixed households.
- Based on county expenditure claims from calendar year 2012, RNE cases are estimated to be 1.68 percent of the total Employment Services expenditures in FY 2013-14. The amount shifted from TANF to GF/MOE for RNE expenditures in FY 2013-14 is $14,852,606 ($7,638,651 for non-federally eligible recipients).
- Services for federally eligible RNE teen parents in mixed households served in the Cal-Learn program are estimated to be $263,631 in FY 2013-14. This amount is shifted from the Cal-Learn premise to CalWORKs Employment Services and is funded with GF/MOE.

<u>County Performance Incentives</u>

- Authorizing Statute: Welfare and Institutions Code sections 10544.1 and 10544.2.
- Section 10544.2 provides that incentive funds shall be available for encumbrance and expenditure by counties without regard to the FY until all funds are expended.
- Based on the latest expenditure information reported by the counties, the unexpended performance incentive balance in FY 2012-13 is $4.8 million.
- It is assumed all incentive funds will be spent in FY 2012-13.

METHODOLOGY:

<u>Basic Services</u>

- The Employment Services base funding for FY 2013-14 is determined by multiplying the projected caseload by the monthly CPC by twelve months:
  - o 193,045 x $382.37 x 12 = $885.8 million
- The total CalWORKs Employment Services funding is determined by adding the contract costs and the services costs for Cal-Learn RNE mixed households to the base funding:
  - o $885.8 million + $3.9 million + $0.2 million = $889.9 million

CalWORKs Employment Services

METHODOLOGY (CONTINUED):

County Performance Incentives

- It is anticipated that the balance available in FY 2012-13 will be $4.8 million. There will be no remaining funds available in FY 2013-14.

FUNDING:

The services costs for RNE cases, Safety Net cases, and Hardship cases are 100 percent GF, which is countable toward the state's MOE requirement. All other costs are 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13 for Employment Services. In FY 2013-14, the increase in Employment Services is due to a higher projected caseload. For County Performance Incentives, the increase in FY 2012-13 is due to updated expenditure data. There is no change in FY 2013-14 for County Performance Incentives.

REASON FOR YEAR-TO-YEAR CHANGE:

For Employment Services, the increase is primarily due to a revised budgeting methodology made necessary by the program service levels enacted by SB 1041. For County Performance Incentives, it is projected that there will be no remaining funds available in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Services	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	$669,148	$653,535	$15,613	$0	$0
Single Allocation Re-appropriation (AB 1477)	80,000	80,000	0	0	0
County Performance Incentives	4,776	4,776	0	0	0

FY 2013-14

Item 101 - CalWORKs Services	Total	Federal	State	County	Reimb.
CalWORKs Employment Services	$889,920	$871,036	$18,884	$0	$0
Single Allocation Re-appropriation (AB 1477)	0	0	0	0	0
County Performance Incentives	0	0	0	0	0

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Mental Health and Substance Abuse Services

DESCRIPTION:

This premise reflects the cost to provide necessary Mental Health and Substance Abuse services, including case management and treatment, to the California Work Opportunity and Responsibility to Kids (CalWORKs) program Welfare-to-Work participants in need of these services to obtain or retain employment. Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the implementation of the CalWORKs program. In addition, it mandated that counties provide a plan for the treatment of mental or emotional difficulties and for treatment of substance abuse that may limit or impair a participant's ability to make the transition from Welfare-to-Work or retain long-term employment. The county welfare departments and county alcohol and drug departments are required to collaborate to ensure an effective system is available to provide evaluations and substance abuse treatment.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 11322.6 and 11325.8.
- The Fiscal Year (FY) 2012-13 Mental Health and Substance Abuse expenditures are held to the prior subvention amounts of $76.9 million and $50.7 million, respectively.
- The CalWORKs Employment Services caseload is expected to decline by 0.75 percent from FY 2012-13 to FY 2013-14.

METHODOLOGY:

- The funding for the FY 2013-14 Mental Health and Substance Abuse services allocation is calculated by multiplying the FY 2012-13 Allocation by the percent change in the overall Employment Services caseload:
  - Mental Health: $76.9 million + ($76.9 x -0.0075) = $76.3 million.
  - Substance Abuse: $50.7 million + ($50.7 x -0.0075) = $50.3 million.
- The Mental Health and Substance Abuse totals are:
  - FY 2012-13: $76.9 million + $50.7 million = $127.6 million.
  - FY 2013-14: $76.3 million + $50.3 million = $126.6 million.

FUNDING:

The funding for this premise is 100 percent General Fund and is countable toward the Temporary Assistance to Needy Families Maintenance of Effort requirement.

Mental Health and Substance Abuse Services

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The change in FY 2013-14 is due to an increase in the projected Employment Services caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the projected decline in expenditure levels that mirror the Employment Services caseload.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Mental Health & Substance Abuse	$127,564	$0	$127,564	$0	$0

FY 2013-14

Item 101 - CalWORKs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Mental Health & Substance Abuse	$126,606	$0	$126,606	$0	$0

Mental Health/Substance Abuse Services for Indian Health Clinics

DESCRIPTION:

This premise reflects the cost to provide mental health and/or substance abuse services to Native Americans by providing a clinician in each of the 36 Indian health clinics. Services provided are necessary to obtain or retain employment, or to participate in county or Tribal Temporary Assistance to Needy Families (TANF) welfare-to-work (WTW) activities.

The services may include: (a) outreach and identification of individuals who are receiving, or may be eligible for, California's Work Opportunity and Responsibility to Kids (CalWORKs) program assistance; (b) screening of individuals for substance abuse and/or mental health issues; (c) ensuring that individuals have transportation to the county welfare department (CWD) to apply for CalWORKs or to participate in WTW activities; (d) accompanying individuals to the evaluation for mental health and/or substance abuse services; (e) providing individual or group services, or making referrals to more intensive treatment services offered by the CWD and (f) facilitating the integration of individuals into the CalWORKs WTW program.

IMPLEMENTATION DATE:

Twenty-seven clinics implemented this program in Fiscal Year (FY) 2001-02. Nine additional clinics implemented in FY 2002-03.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11322.6.
- The Legislature appropriated $1.9 million for mental health and substance abuse services in 36 Indian health clinics.
- Each mental health and substance abuse services clinic receives approximately $53,950.
- There are 29 clinics operating in FY 2012-13, but additional clinics may enter the program at any time during the year.
- There are 29 clinics anticipated to operate in FY 2013-14, but additional clinics may enter the program at any time during the year.

METHODOLOGY:

The estimate is calculated by multiplying the cost per clinic by the number of clinics participating.

FUNDING:

This premise is funded with 100 percent General Fund, which is countable toward the TANF Maintenance of Effort requirement. These funds will remain with the California Department of Social Services for distribution.

Mental Health/Substance Abuse Services for Indian Health Clinics

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CalWORKs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
SA & MH – Indian Health Clinics	$1,943	$0	$1,943	$0	$0

FY 2013-14

Item 101 – CalWORKs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
SA & MH – Indian Health Clinics	$1,943	$0	$1,943	$0	$0

Welfare-to-Work Services (Senate Bill 1041)

DESCRIPTION:

This premise reflects the costs associated with reengagement of the California Work Opportunity and Responsibility to Kids (CalWORKs) cases that received the short-term exemption from the Welfare-to-Work (WTW) program and implementation of a new young child exemption in accordance with Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012).

Assembly Bill x4 4 (Chapter 4, Statutes of the Fourth Extraordinary Session of 2009) created a short-term reform (STR) exemption from WTW activities for a parent or caretaker relative who has primary responsibility for providing care to one child who is from 12 months through 23 months of age, or at least two children who are under six years of age. SB 1041 extended the STR young child exemption through December 31, 2012, and required reengagement of those cases during the following 24-month period (by January 1, 2015) unless the case qualifies for another exemption. In addition, SB 1041 created a new one-time young child exemption for a parent or caretaker relative personally providing care to a child from birth through 23 months of age.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11320.3(g) through (h).
- Assumes 54,399 STR exempt cases as of December 31, 2012, based on Federal Fiscal Year (FFY) 2011 data from the Welfare Data Tracking Implementation Project.
- Assumes 31,387 STR exempt cases are not voluntarily participating based on FFY 2011 data from the Research and Development Enterprise Project. Exempt volunteers are already reflected in the estimated funding for the basic CalWORKs Employment Services estimate methodology and therefore excluded from the reengagement caseload.
- Of the 31,387 STR exempt cases, the reengagement caseload excludes 16,552 cases who qualify for another exemption from WTW participation requirements. These cases require a one-time screening to ensure that they meet the criteria to qualify for the exemption.
- Assumes that all eligible STR exempt cases with a child under 18 months (12,784 out of the 16,552 cases) will choose to take the new young child exemption, and will remain exempt. Note that this new young child exemption is at the choice of the client. The remaining 3,768 cases qualify for some other WTW exemption.
- The resulting reengagement caseload for full Employment Services is 14,835.
- Assumes the funding for the screening and the reengagement caseload is distributed evenly over the 24-month reengagement period, or 157 cases per month to screen for other WTW exemptions, 533 cases per month to screen for the new young child exemption and 618 reengagement cases per month.

Welfare-to-Work Services (Senate Bill 1041)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The one-time Employment Services screening costs include ten minutes of case worker time for cases that qualify for some other WTW exemption and 15 minutes for cases who will opt to take the new young child exemption, at the average caseworker cost per hour of $57.57.
- The Employment Services and Child Care cost-per-case (CPC) for the reengagement caseload is consistent with CalWORKs Employment Services and Stage One Child Care CPC figures for each year.
- The CalWORKs Employment Services CPC is $330.26 and $382.37 for FY 2012-13 and FY 2013-14, respectively.
- The Stage One Child Care CPC is $737.73 and $774.65 for FY 2012-13 and FY 2013-14, respectively.
- Based on actual child care data from calendar year 2012 there are 1.6 children per case.
- Assumes reengagement cases will have younger children in the home and will have a greater need for child care than the overall caseload prior to reengagement. Therefore, the estimate assumes a 55.55 percent child care utilization rate for reengaged cases, which is double the FY 2011-12 utilization rate of the overall CalWORKs child care caseload.

METHODOLOGY:

- Each month, 618 cases are added to the ongoing reengaged caseload totaling 12,980 casemonths in FY 2012-13 and 92,719 in FY 2013-14.
- The Employment Services for reengagement cases is calculated by multiplying the CPC by the total casemonths:
  - FY 2012-13: 12,980 x $330.26 = $4.28 million
  - FY 2013-14: 92,719 x $382.37 = $35.45 million
- The screening caseload is multiplied by the caseworker cost of $57.57 per hour, which is equivalent to 96 cents per minute or $9.60 per screening for other WTW exemptions and $14.39 per screening for the new young child exemption:
  - $0.96 x 10 minutes = $9.60 per other WTW exemption
  - $0.96 x 15 minutes = $14.39 per new young child exemption
- The Employment Services screening is estimated by multiplying the number of cases being screened by the applicable screening cost:

  FY 2012-13:
  - 157 cases x six months x $9.60 = $0.01 million other WTW exemption
  - 533 cases x six months x $14.39 = $0.05 million new young child exemption
  - $0.01 million + $0.05 million = $0.06 million

Welfare-to-Work Services (Senate Bill 1041)

METHODOLOGY (CONTINUED):

FY 2013-14:

- o 157 cases x 12 months x $9.60 = $0.02 million other WTW exemption
- o 533 cases x 12 months x $14.39 = $0.09 million new young child exemption
- o $0.02 million + $0.09 million = $0.11 million

- The WTW Services (SB 1041) Employment Services total funding for FY 2012-13 and FY 2013-14 is the Employment Services for reengagement plus screening cost:
  - o FY 2012-13: $4.28 million + $0.06 million = $4.34 million
  - o FY 2013-14: $35.45 million + $0.11 million = $35.56 million
- The projected Child Care costs are estimated by multiplying the reengagement casemonths by the 1.6 children per family, the applicable CPC, and then by the 55.55 percent utilization rate:
  - o FY 2012-13: 12,980 case months x 1.6 x $737.73 = $15.32 million
    - $15.32 million x 55.55% = $8.5 million
  - o FY 2013-14: 92,719 case months x 1.6 x $774.65= $114.92 million
    - $114.92 million x 55.55% = $63.83 million

FUNDING:

In FY 2012-13, Employment Services are funded 2.0 percent General Fund (GF) and 98.0 percent Temporary Assistance for Needy Families (TANF) federal funds. Child Care is funded 5.8 percent GF and 94.2 percent TANF federal funds.

In FY 2013-14, Employment Services are funded 2.1 percent GF and 97.9 percent TANF federal funds. Child Care is funded 7.1 percent GF and 92.9 percent TANF federal funds.

The GF amounts are countable toward the state's Maintenance Of Effort requirement.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 funding is held to the 2012 November Estimates. The increase in Child Care for FY 2013-14 is due to an updated CPC based on calendar year 2012 data. For Employment Services, there is no change to the total funding amount for FY 2013-14. The federal and state share of Employment Services and Child Care costs for FY 2013-14 were updated based on calendar year 2012 data.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is primarily due to additional cases reengaged throughout the year and reflects a higher Employment Services CPC and Child Care CPC for FY 2013-14.

Welfare-to-Work Services (Senate Bill 1041)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 - CalWORKs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
WTW Services (SB 1041)	$4,342	$4,272	$70	$0	$0
Item 101 - CalWORKs Child Care					
WTW Services (SB 1041)	8,511	8,016	495	0	0

FY 2013-14

Item 101 - CalWORKs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
WTW Services (SB 1041)	$35,563	$34,805	$758	$0	$0
Item 101 - CalWORKs Child Care					
WTW Services (SB 1041)	63,833	59,277	4,556	0	0

CalWORKs Administrative Costs

DESCRIPTION:

This premise reflects the administrative costs for the Temporary Assistance for Needy Families (TANF)/California Work Opportunity and Responsibility to Kids (CalWORKs) program. The basic costs include the costs for general administration, coordination and overhead for the programs such as the salaries and benefits of the staff performing activities related to eligibility determination, preparation of budgets, monitoring programs, fraud units, services related to accounting, litigation, payroll and personnel and costs for the goods and services required for the administration of the program such as supplies, equipment, utilities and rental and maintenance of office space.

Historically, the budget for county administration was based on counties' administrative budget requests made through a Proposed County Administrative Budget (PCAB) process, modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Beginning with Fiscal Year (FY) 2001-02, the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future costs are determined. Adjustments for caseload changes and other factors are made during each subvention process.

In addition to the CalWORKs Administrative Costs premise line, this methodology also includes any updated assumptions for administrative funding for the following premise items: Work Verification, *Be Vu v. Mitchell* and Mailing and Notification. Detailed descriptions of these premises can be referenced in the 2012 May Revision, Estimate Methodologies section.

KEY DATA/ASSUMPTIONS:

<u>CalWORKs Administrative Costs</u>

- Authorizing statute: W&IC section 14154.
- The amount for CalWORKs Administrative Costs in FY 2012-13 was held to the 2012 November Estimate.
- The CalWORKs Administrative base funding is projected to be approximately $784.8 million total funds in FY 2013-14.
- The CalWORKs caseload is projected to decrease by 1.89 percent in FY 2013-14 (from FY 2012-13) resulting in a decrease of approximately $14.8 million total funds.
- The total Electronic Benefit Transfer (EBT) savings are approximately $10.4 million in FY 2013-14.
- For FY 2013-14, staff development costs are projected to be $15.2 million total funds based on actual expenditures in calendar year 2012.
- Statewide Automated Welfare System (SAWS) development and testing interface costs are approximately $129,000 total funds.
- Administrative costs related to the Merced Automated Global Information Control (MAGIC) automation system are approximately $272,000 total funds.
- For FY 2013-14, Homeless Assistance expenditures did not reflect an increase over the base year; therefore, no adjustment/additional administration funding is provided.
- Time limit savings are approximately $33.0 million total funds in FY 2013-14.

CalWORKs Administrative Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

- Legacy Systems savings are approximately $12.1 million total funds in FY 2013-14.
- Contract costs are approximately $4.1 million total funds in FY 2013-14.
- For FY 2013-14, approximately $5.2 million total funds of the CalWORKs Administrative Basic expenditures are for Recent Noncitizen Entrants (RNEs). Of the $5.2 million, $2.7 million reflects federally eligible recipients in mixed households and $2.5 million reflects recipients in state-only households.
- Funding for Safety Net administrative costs is $33.0 million, RNE administrative costs are $2.5 million and savings from restoring CalWORKs administrative funding to the actual FY 2005-06 spending level is $140.0 million.

Work Verification

- Authorizing statute: Federal Deficit Reduction Act of 2005.
- Implemented on July 1, 2008.
- The amount for Work Verification in FY 2012-13 was held to the 2012 November Estimate.
- Funding may be used by counties to hire additional staff, retrain existing staff and/or pay for staff's additional workload to document and verify work participation required by federal law. Clearly documenting and verifying an individual's participation will enhance California's ability to meet the federal work participation rates and avoid penalties associated with inadequate documentation and verification of the data used in calculating the rates.
- Based on information from the County Welfare Directors Association, of the cases that participated through work activities in FY 2009-10, 80 percent have pay stubs that fulfill work verification requirements (documented hours for which the individual was paid); 20 percent of cases will require additional documentation by the county.
- It is assumed that 100 percent of the cases that participate through non-work activities will require additional documentation by the county.
- Per Federal Fiscal Year (FFY) 2011 Research and Development Enterprise Project (RADEP) data, 58.4 percent of the total cases that are subject to work participation are participating at some level.
- Of the cases that participate at some level, 56 percent participate either partially or fully through work activities and 44 percent fully participate through non-work activities.
- Per FFY 2011 RADEP data, 26.1 percent of the Safety Net caseload is projected to participate either partially or fully through work activities. Five percent are projected to fully participate through non-work activities.
- The average eligibility worker cost is $57.57 per hour. It is assumed that it will take ten minutes ($9.60) of administrative time per month to verify participation for cases that participate through work and 15 minutes ($14.39) of administrative time per month for cases that participate through non-work activities.

CalWORKs Administrative Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

Be Vu v. Mitchell

- Authorizing statute: Federal Supplemental Nutrition Assistance Program Regulations, Title 7, Code of Federal Regulations sections 272.4 (b)(2)(i), (ii) and (iii).
- Implemented with the settlement agreement effective December 4, 2006, which requires that CalWORKs forms be translated into additional languages.
- Automation reprogramming is not scheduled for the final eight languages; therefore, additional staff time is necessary for form translation.
- *Be Vu v. Mitchell* base funding is $70,756 in FY 2012-13 and $69,051 in FY 2013-14.
- It is assumed the CalWORKs caseload will decrease by 2.41 percent in FY 2012-13 and 1.89 percent in FY 2013-14.

CalWORKs Senate Bill (SB) 1041 and Semiannual Reporting (SAR) Mailing/Notifications

- A general notification will be provided to all CalWORKs recipients in FY 2012-13 to inform them of changes relating to SAR.
- A separate notification will be provided to all CalWORKs recipients in FY 2012-13 to inform them of changes relating to CalWORKs SB 1041 (Chapter 47, Statutes of 2012) changes.
- The total cost of the mailers is estimated to be $0.49 per recipient.

METHODOLOGY:

CalWORKs Administrative Costs

- The amount for CalWORKs Administrative Costs in FY 2012-13 was held to the 2012 November Estimate. The base funding for FY 2013-14 is adjusted to reflect the projected change in caseload, staff development expenditures, savings for EBT, time limits, Legacy Systems, the MAGIC system, SAWS development and testing and contract costs.
- The administrative costs for Safety Net and RNE and the $140 million restoration in CalWORKs administrative funding are added to the base funding.

Work Verification

- The amount for Work Verification in FY 2012-13 was held to the 2012 November Estimate. The cases that are subject to work participation requirements are multiplied by 58 percent to determine the number of cases that are participating at some level. The number of participants is multiplied by 56 percent to determine the number of cases that will participate through work activities and by 44 percent to determine the cases that will participate in non-work activities.
    - Of the cases that participate through work activities, 80 percent have pay stubs and do not require work verification. The remaining 20 percent will require work verification at a cost of $2.0 million in FY 2013-14 (ten minutes per case).
    - The cases that participate in non-work activities will require work verification at a cost of $11.5 million in FY 2013-14 (15 minutes per case).

CalWORKs Administrative Costs

METHODOLOGY (CONTINUED):

- The Safety Net cases that will participate through work activities will require work verification at a cost of $2.2 million in FY 2013-14 (ten minutes per case).
- The Safety Net cases that participate in non-work activities will require work verification at a cost of $0.6 million in FY 2013-14 (15 minutes per case).

Be Vu v. Mitchell

- Total costs associated with the manual completion of the translated forms are calculated by multiplying the base cost by the caseload decline and adding the value to the base cost. The total adjusted funding becomes the base for calculating the next year's costs.

CalWORKs SB 1041 and SAR Mailing/Notifications

- The costs of mailers are calculated as caseload multiplied by the number of mailings and by $0.49 per mailer.

FUNDING:

- Costs for Safety Net and RNE families are 100 percent General Fund.
- Contract costs are 100 percent TANF.
- All other costs are 94.2 percent TANF and 5.8 percent state Maintenance of Effort (MOE). Due to a federal audit exception, TANF hardship cases are funded with MOE instead of TANF funds effective September 1, 2009.

CHANGE FROM PRIOR SUBVENTION:

CalWORKs Administrative Costs

There is no change to total funds in FY 2012-13; however, funding ratios have been updated. The decrease in FY 2013-14 is primarily due to a higher rate of caseload decline than previously estimated.

Work Verification

The FY 2012-13 funding has been held to the 2012 November Estimate. The decrease in FY 2013-14 is primarily due to a higher rate of caseload decline than previously estimated.

Be Vu v. Mitchell

There is no change in FY 2012-13. The decrease in FY 2013-14 is primarily due to a higher rate of caseload decline than previously estimated.

CalWORKs SB 1041 and SAR Mailing/Notifications

There is no change to total funds in both FY 2012-13 and FY 2013-14; however, funding ratios have been updated.

CalWORKs Administrative Costs

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs Administrative Costs

The decrease is primarily due to a higher rate of caseload decline than previously estimated.

Work Verification

The decrease is primarily due to a higher rate of caseload decline than previously estimated.

Be Vu v. Mitchell

The decrease is primarily due to a higher rate of caseload decline than previously estimated.

CalWORKs SB 1041 and SAR Mailing/Notifications

This premise affects FY 2012-13 only.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalWORKs Admin	$937,597	$883,563	$54,034	$0	$0
Work Verification	16,535	13,729	2,806	0	0
Be Vu v. Mitchell	69	65	4	0	0
CalWORKs SB 1041 & SAR Mailing/Notifications	520	490	30	0	0

FY 2013-14

Item 101 - CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalWORKs Admin	$907,396	$829,914	$77,482	$0	$0
Work Verification	16,252	13,455	2,797	0	0
Be Vu v. Mitchell	68	64	4	0	0
CalWORKs SB 1041 & SAR Mailing/Notifications	0	0	0	0	0

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Fraud Recovery Incentives

DESCRIPTION:

This premise reflects the incentive payments made annually to counties for the detection of fraud. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) provided that each county shall receive 25 percent of the actual share of savings, including federal funds under the Temporary Assistance for Needy Families (TANF) block grant, that results from the detection of fraud. This statute, amended by AB 444 (Chapter 1022, Statutes of 2002), now provides that each county shall receive 12.5 percent of the actual amount of aid repaid or recovered by a county resulting from the detection of fraud. These savings/recoveries have been defined as the amounts collected on client-caused (non-administrative error) overpayments. County incentives paid with TANF monies must be used for purposes prescribed under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193).

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11486(j).
- Based on the Food and Nutrition Service 209 Status of Claims Against Households for July through December 2012, client-caused overpayments represent a weighted average of 61 percent of all collections. The statewide average is weighted by the amount of overpayment collections for each individual county.
- The total actual California Work Opportunity and Responsibility to Kids (CalWORKs) overpayment collections for Fiscal Year (FY) 2011-12 are $52.4 million.
- The total estimated CalWORKs overpayment collections for FY 2012-13 are $51.9 million based on a trend of the most recent three years of collections.
- The Fraud Recovery Incentives funding for FY 2012-13 is $3,798,000 based on the amount allocated.
- The projected Fraud Recovery Incentives funding for FY 2013-14 is $3,861,000.
- Based on the amount of overpayment collections, incentive payments are made annually to the counties in arrears.
- Effective with the passage of AB 444, the counties receive 12.5 percent of the overpayment collections due to client-caused overpayments.
- Overpayments are assumed to be funded 97.5 percent TANF/Maintenance of Effort and 2.5 percent county.

METHODOLOGY:

The county incentive payment is the product of the total collections multiplied by the TANF share of collections (97.5 percent), multiplied by the percentage of client-caused errors (61 percent) and multiplied by the county incentive (12.5 percent).

FY 2013-14: $51.9 million x 97.5 percent x 61 percent x 12.5 percent = $3.9 million

Fraud Recovery Incentives

FUNDING:

The fraud recovery incentive funds are 100 percent TANF.

CHANGE FROM PRIOR SUBVENTION:

The change for FY 2012-13 was made to reflect the amount of funds allocated to counties. The decrease for FY 2013-14 is primarily due to lower overpayment collections projected than previously estimated ($51.9 million versus $57.3 million).

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an anticipated increase in the percentage of client-caused overpayments.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Fraud Recovery Incentives	$3,798	$3,798	$0	$0	$0

FY 2013-14

Item 101 - CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Fraud Recovery Incentives	$3,861	$3,861	$0	$0	$0

Shared Eligibility

DESCRIPTION:

This premise reflects the shift of common eligibility costs that are shared across the California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh (CF) and Medi-Cal programs, as well as the allocation of administrative costs associated with recipients of dual (CalWORKs and CF) benefits, to the CF budget. This premise consolidates the assumptions and methodologies previously identified under individual premises referred to as Medi-Cal Services Eligibility/Common Costs and the Public Assistance (PA) to Non-Assistance (NA) Fund Shift.

The Medi-Cal Services Eligibility program mandates the California Department of Social Services (CDSS) to instruct counties to modify the eligibility determination process so that eligibility for Medi-Cal is determined prior to eligibility for the Temporary Assistance for Needy Families (TANF) program. Some eligibility determination costs for clients in common are shared equally across the three benefit programs. The common intake eligibility costs are claimed by the counties through County Expense Claims (CEC) to the CalWORKs budget and distributed to Medi-Cal and CF accordingly. The Medi-Cal portion of costs is reflected as a savings in the CalWORKs budget and then budgeted as costs at the Department of Health Care Services. The CF portion of common eligibility costs is also reflected as a savings in the CalWORKs budget and is then shifted to the CF budget through the PA to NA Fund Shift.

Ongoing eligibility costs for CF recipients who also receive CalWORKs are charged as CalWORKs administrative costs through the CEC process. The federal Department of Health and Human Services, Division of Cost Allocation directed CDSS to distribute costs for eligibility determination activities among the benefiting programs. A methodology based on the ratio of CalWORKs and PACF caseload and administrative expenditure data is used to determine the portion of the eligibility, case management and program integrity activity costs in CalWORKs that also benefit CF. These ongoing eligibility costs are shown as savings in the CalWORKs budget and shifted as costs to CF in the PA to NA Fund Shift.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14154.
- The CalWORKs caseload is projected to decrease by 2.41 percent in Fiscal Year (FY) 2012-13 and another 1.89 percent in FY 2013-14. Based on the ratios between caseload and expenditure change, CalWORKs eligibility expenditures are projected to decrease by approximately 0.86 percent in FY 2012-13 and 0.68 percent in FY 2013-14.

<u>Med-Cal Services Eligibility Common Costs:</u>

- This premise implemented on July 1, 1998.
- The budgeted amount for FY 2012-13 is held to the 2012 November Estimate.
- In FY 2011-12, the total CalWORKs eligibility expenditures were approximately $605.6 million.
- It is assumed that the total estimated CalWORKs eligibility expenditures in FY 2012-13 will serve as the base for determining total FY 2013-14 eligibility expenditures.

Shared Eligibility

KEY DATA/ASSUMPTIONS (CONTINUED):

- In FY 2011-12, the Medi-Cal common costs were approximately $65.9 million, which represents approximately 10.88 percent of the $605.6 million total CalWORKs eligibility expenditures. It is assumed that Medi-Cal common costs will continue to represent the same proportion of total eligibility expenditures in FY 2012-13 and FY 2013-14.

PA to NA Fund Shift:

- This premise implemented in March 1984.
- The budgeted amount for FY 2012-13 is held to the 2012 November Estimate.
- It is assumed that continuing administrative costs increase at the same rate as total eligibility costs and that estimated continuing administrative costs will serve as the base for determining the next year's projected continuing administrative costs.
- In FY 2011-12, the continuing administrative costs were approximately $151.9 million.

METHODOLOGY:

Medi-Cal Services Eligibility Common Costs:

- The budgeted amount for FY 2012-13 is held to the 2012 November Estimate.
- Total projected CalWORKs eligibility expenditures are calculated by multiplying the base/prior year's expenditures by the percentage of projected expenditure change.
- The Medi-Cal common cost expenditures are calculated by multiplying total projected CalWORKs eligibility expenditures by the ratio of Medi-Cal common costs to total CalWORKs eligibility expenditures (10.88 percent FY 2013-14).

PA to NA Fund Shift:

- The budgeted amount for FY 2012-13 is held to the 2012 November Estimate.
- The projected continuing activity cost is calculated by multiplying the base/prior year's continuing activity cost by the projected expenditure change.
- The total PA to NA Fund Shift is calculated by adding the anticipated continuing case activity costs and the common intake costs.

FUNDING:

The CalWORKs costs are 100 percent TANF. The NACF costs are shared 50 percent Food and Nutrition Service fund, 35 percent General Fund and 15 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

The Medi-Cal Services Eligibility/Common Costs and the PA to NA Fund Shift are held to the 2012 November Estimate for FY 2012-13. The decreases in FY 2013-14 are due to decreased caseload.

Shared Eligibility

REASON FOR YEAR-TO-YEAR CHANGE:

The decreases for the Medi-Cal Services Eligibility/Common Costs and the PA to NA Fund Shift are due to decreased CalWORKs caseload projections.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
PA to NA Fund Shift	-$226,631	-$226,631	$0	$0	$0
Medi-Cal Svcs. Elig./Common Costs	-65,462	-65,462	0	0	0
Item 141 – CalFresh Administration					
PA to NA Fund Shift	226,631	113,315	79,321	33,995	0

FY 2013-14

Item 101 – CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
PA to NA Fund Shift	-$214,450	-$214,450	$0	$0	$0
Medi-Cal Svcs. Elig./Common Costs	-64,896	-64,896	0	0	0
Item 141 – CalFresh Administration					
PA to NA Fund Shift	214,450	107,225	75,058	32,167	0

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Court Cases – Item 101 and Item 141

DESCRIPTION:

This premise reflects projected settlement costs and attorney fees relating to Temporary Assistance for Needy Families (TANF), California Work Opportunity and Responsibility to Kids (CalWORKs), Foster Care (FC), CalFresh and Adoption Assistance Program (AAP). The costs result from the settlement of lawsuits related to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

Item 101 – TANF Administration

- A total of $296,000 is budgeted in Fiscal Year (FY) 2012-13 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2012-13.
- A total of $373,500 is budgeted in FY 2013-14 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2013-14.

Item 141 – FC and AAP Administration

- The FC and AAP programs portion of this estimate are included in the Realigned Programs premise.

Item 141 – CalFresh Administration

- A total of $254,000 is budgeted in FY 2012-13 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2012-13.
- A total of $0 is budgeted in FY 2013-14 for attorney fees and settlement costs associated with court cases expected to be resolved in FY 2013-14.

METHODOLOGY:

The TANF and CalFresh estimates are based on actual and projected attorney fees, settlement costs and miscellaneous writs to be paid in FY 2012-13 and FY 2013-14.

FUNDING:

Item 101 –TANF Administration

The funding is 100 percent TANF.

Item 141 – FC and AAP

The funding for the FC and AAP programs portion of this estimate are included in the Realigned Programs premise.

Item 141 – CalFresh Administration

The funding for CalFresh is shared 50 percent federal and 50 percent General Fund.

Court Cases – Item 101 and Item 141

CHANGE FROM PRIOR SUBVENTION:

The decrease in TANF administration costs in FY 2012-13 is the result of decreased court case costs for cases that are expected to settle in FY 2012-13. The increase in TANF administration court case costs in FY 2013-14 is the result of increased court case costs of cases that are expected to settle in FY 2013-14.

The increase in CalFresh administration costs in FY 2012-13 is the result of increased court case costs of cases that are expected to settle in FY 2012-13. There is no change in CalFresh administration court case costs in FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in TANF administration court case costs reflects an increased cost of cases that are expected to settle in FY 2013-14.

There are no CalFresh court cases expected to settle in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Court Cases	$296	$296	$0	$0	$0
Item 141 – CalFresh Administration					
Court Cases	254	127	127	0	0

FY 2013-14

Item 101 - CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Court Cases	$374	$374	$0	$0	$0
Item 141 – CalFresh Administration					
Court Cases	0	0	0	0	0

State/County Peer Reviews

DESCRIPTION:

This premise reflects the costs associated with the Assembly Bill 1808 (Chapter 75, Statutes of 2006) requirement that directed the California Department of Social Services (CDSS) to establish a state and County Peer Review (CPR) process for the California Work Opportunity and Responsibility to Kids (CalWORKs) program.

During Fiscal Year (FY) 2007-08, a Welfare-To-Work (WTW) CPR program was developed in collaboration with counties and the County Welfare Directors Association (CWDA) who participated as part of the CPR Advisory Team. The primary purpose of the CPR program was for county peers and CDSS to perform on-site reviews of counties' WTW programs to identify and share best practices, promising practices, opportunities for improvement and strategies that could positively impact work participation rates (WPR).

Senate Bill 72 (Chapter 8, Statutes of 2011) suspended the CPR program for FY 2011-12 and FY 2012-13, and delayed further statewide CPR reviews until July 1, 2014.

Under the CPR program, CDSS staff and peer county staff from two county welfare departments (CWDs) will visit other CWDs to review their CalWORKs policies, procedures and data to improve performance outcomes.

Since the Peer Reviews are mandatory under current law, it is necessary to provide CWDs with appropriate funding to participate in these CPR visits. This premise reflects the costs associated with backfilling, travel and per diem costs for the participating county staff.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10533.
- Senate Bill 72 (Chapter 8, Statutes of 2011) suspended this program for FY 2011-12 and FY 2012-13.
- The CPR program is scheduled to resume in FY 2013-14.
- Seventeen Peer Reviews are funded for FY 2013-14 in the amount of $208,000.
- Each Peer Review will take approximately five days (eight hours per day) to complete. One additional eight hour day is required for preparation and training in the host county for staff from the visiting counties.
- One manager and one staff person from each of the two visiting counties will travel to the host county for the CPR visit. Two staff persons from the host county will participate in the Peer Review.
- The travel and per diem costs for each person from the visiting counties is $1,336 per visit.
- This estimate includes the costs to backfill four county staff: one staff person from each of the two visiting counties and two staff persons from the host county. No backfill is assumed for managers.

State/County Peer Reviews

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on a county survey completed during the development of the CPR program, the average daily salary and benefits for a county frontline employment services caseworker for an eight hour day is $286.40.

METHODOLOGY:

- The cost for travel and per diem per county peer review visit is $5,344.

  ($1,336 travel and per diem cost x four county staff = $5,344)
- The total backfill cost per visit per county peer review visit is $6,874.

  ($286.40 average daily salary x four county staff x six days = $6,874)
- The total travel, per diem and county staff backfill cost per visit is $12,218.

  ($5,344 + $6,874 = $12,218)
- The total funding for 17 Peer Reviews in FY 2013-14 is approximately $208,000.

FUNDING:

This premise is funded with 100 percent Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The 2013-14 Governor's Budget assumed that statute would be proposed to further delay this process; however, Peer Reviews are now scheduled to resume in FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

This process was suspended and, therefore, unfunded in FY 2012-13. Per statute, Peer Reviews are scheduled to resume in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
State/County Peer Review	$0	$0	$0	$0	$0

FY 2013-14

Item 101 – CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
State/County Peer Review	$208	$208	$0	$0	$0

Research and Evaluation

DESCRIPTION:

This premise reflects the costs for research and evaluation of the direct and indirect effects of the California Work Opportunity and Responsibility to Kids (CalWORKs) program as authorized by Welfare and Institutions Code (W&IC) sections 11520 through 11521.7. The statute specifies that an independent evaluator or evaluators shall conduct the statewide evaluation and that the outcomes derived from these evaluations will be provided through discrete reports issued at regular intervals and will include information regarding process, impacts and analyses of the costs and benefits of the CalWORKs program.

In addition, the statute specifies that the California Department of Social Services will ensure that county demonstration projects and other innovative county approaches to CalWORKs program implementation are rigorously evaluated and that the findings are reported to the Legislature in a timely fashion. The evaluation of a county-specific program shall be developed in conjunction with the county and other appropriate agencies responsible for the local program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The W&IC sections 11520 through 11521.7. Assembly Bill 1542 (Chapter 270, Statutes of 1997) mandated the evaluation of the CalWORKs program and county demonstration projects.

METHODOLOGY:

The funding in Fiscal Year (FY) 2012-13 and FY 2013-14 has been held to historical Research and Evaluation funding levels.

FUNDING:

This premise is funded 100 percent with Temporary Assistance for Needy Families (TANF) funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2012-13. There is no change to total funding for FY 2013-14. The decrease in General Fund and increase in federal funds in FY 2013-14 reflects the delay of funding the child care study, which included a non-TANF/Maintenance-of-Effort eligible population.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Research and Evaluation

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Research and Evaluation	$4,000	$4,000	$0	$0	$0

FY 2013-14

Item 101 – CalWORKs Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Research and Evaluation	$4,000	$4,000	$0	$0	$0

CalWORKs Child Care - Stage One Services and Administration

DESCRIPTION:

This premise reflects the cost for Stage One Child Care for the California Work Opportunity and Responsibility to Kids (CalWORKs) program families: who are working or participating in work activities while on aid; former CalWORKs recipients who are unable to transfer to Stage Two due to the shortage of available slots and eligible teen parents participating in the Cal-Learn program. Child care services are available to CalWORKs families with children under 13 years of age.

Assembly Bill 1542 (Chapter 270, Statutes of 1997) authorized CalWORKs Stage One Child Care. Child care services for Cal-Learn participants were authorized by Senate Bill (SB) 35 (Chapter 69, Statutes of 1993) and SB 1078 (Chapter 1252, Statutes of 1993).

The CalWORKs Child Care program is administered in three stages. Stage One is administered by the California Department of Social Services. Stage Two is administered by the California Department of Education (CDE) and serves individuals determined to be in a more stable situation, either working or participating in work activities while on aid, as well as participants transitioning off aid. Stage Three is also administered by CDE and serves participants who have been off aid for two years or more.

The CalWORKs Child Care for two-parent families cannot be funded with Temporary Assistance to Needy Families (TANF) funds, as these families must work or participate a minimum of 55 hours per week in welfare-to-work activities to be eligible for federally funded Child Care. Therefore, these expenditures are funded with Maintenance of Effort (MOE)/General Fund (GF).

This premise also includes Stage One Services and Administration funding previously identified in the Safety Net, Recent Noncitizen Entrants (RNEs) and State-Only Cal-Learn premises.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Education Code sections 8350, 8351, 8352 and Welfare and Institutions Code section 11331.7.
- The Fiscal Year (FY) 2012-13 Stage One Child Care Services and Administration funding is being held to the 2012 November Estimate.
- The following assumptions were used to determine the funding for Stage One Child Care Services and Administration for FY 2013-14:
    - The projected monthly caseload (children) is 36,377 for FY 2013-14 based on a trend projection using actual caseload as reported on the Child Care Monthly Report – CalWORKs Families (CW 115) and Child Care Monthly Report – Two Parent Families (CW 115A). This includes approximately 575 Safety Net children.
    - The projected monthly cost per child (CPC) is based on Child Care expenditures from calendar year 2012 charged on the County Expense Claim and caseload as reported on the CW 115 and CW 115A reports. The actual CPC in calendar year 2012 was $566.16.

CalWORKs Child Care - Stage One Services and Administration

KEY DATA/ASSUMPTIONS (CONTINUED):

- The projected monthly CPC is based on the actual CPC in calendar year 2012 plus a $48 adjustment to accommodate the phase-in of younger children, which have a higher CPC. The adjustment is determined by comparing the FY 2008-09 actual CPC to the FY 2009-10 actual CPC and using the difference between the two CPCs to capture the impact of the short-term reform exemptions which were scheduled to end on December 31, 2012. The base monthly CPC of CalWORKs Child Care services is $614.16 per child for FY 2012-13.
- The base monthly CPC for FY 2012-13 is increased by 2.98 percent to account for cost of doing business based on the California Necessities Index (CNI), which results in a final CPC of $632.46 for FY 2012-13.
- For FY 2013-14, the FY 2012-13 monthly CPC is increased by 2.65 percent for increased cost of doing business based on the CNI, which results in a final CPC of $649.22 for FY 2013-14.
- The CalWORKs Child Care administrative ratio is 19.32 percent of the Services expenditures (16.19 percent of the total expenditures) and is based on the actual administrative expenditures compared to services expenditures in calendar year 2012.
- The Child Care cost for two-parent families and federally eligible RNE recipients in mixed households is 7.14 percent of the total Stage One basic costs, based on Stage One expenditures for those families in calendar year 2012.
- The Child Care cost for RNEs is 0.39 percent of the total Stage One Child Care cost, based on expenditures from calendar year 2012. Non-mixed RNE households (those with no federally eligible members) equal 51.43 percent of the RNE caseload.
- State-Only Cal-Learn Child Care costs are 0.15 percent of the total Stage One Child Care cost, based on expenditures from calendar year 2012.
- The CPC for Safety Net children for FY 2013-14 is $396.85, based on actual caseload and expenditures from FY 2011-12.

METHODOLOGY:

- The Stage One Child Care services costs are calculated by multiplying the caseload by the CPC by 12 months (FY 2013-14: 35,802 cases x $649.22 x 12 months = $278.92 million).
- The Stage One Child Care administrative costs are calculated by multiplying the services costs by the administrative ratio
(FY 2013-14: $278.92 million x 19.32 percent = $53.89 million).
- Total Stage One Child Care costs equal the services costs plus the administrative costs (FY 2013-14: $278.92 million + $53.89 million = $332.81 million).
- The Stage One Child Care costs attributed to RNE Child Care (for non-TANF eligible RNE recipients) is calculated by multiplying the total Stage One costs by the percent of RNE Child Care expenditures by the percent of RNE recipients who are not TANF eligible
(FY 2013-14: $332.81 million x 0.39 percent x 51.43 percent = $0.67 million).

CalWORKs Child Care -
Stage One Services and Administration

METHODOLOGY (CONTINUED):

- Safety Net Child Care expenditures are calculated by multiplying the number of Safety Net cases by the average Safety Net CPC by 12 months
  (FY 2013-14: 575 children x $396.85 CPC x 12 months = $2.74 million).
- The portion of Stage One Child Care costs attributed to State-Only Cal-Learn Child Care expenditures is calculated by multiplying the total Stage One costs by the percent of State-Only Cal-Learn Child Care costs.
  (FY 2013-14: $332.81 million x 0.15 percent = $0.50 million).
- The state portion of Stage One Child Care basic costs are calculated by multiplying the basic Stage One Child Care costs (less RNE and State-Only Cal-Learn) by the ratio of two-parent and mixed-household RNE families and adding the full value of the RNE, Safety Net and State-Only Cal-Learn costs. (Calculation below shown for FY 2013-14)

  $332.81 million - $0.67 million - $0.50 million = $331.64 million
  $331.64 million x 7.14 percent = $23.68 million
  $23.68 million + $0.67 million + $2.74 million + $0.50 million = $27.58 million state portion.
- The total Services and Administration costs (which include RNE, Safety Net and State-Only Cal-Learn Child Care) are split by dividing the total by their respective ratio of 83.81 percent or 16.19 percent
  (FY 2013-14 Services: $335.55 million x 83.81 percent = $281.21 million).

FUNDING:

Stage One Child Care for single parents is funded with 100 percent TANF. Child Care for two-parent families, RNEs, Safety Net and State-Only Cal-Learn is funded with 100 percent GF, which is countable toward the state's TANF MOE requirement.

CHANGE FROM PRIOR SUBVENTION:

The estimate for FY 2012-13 is held to the 2012 November Estimate.

The decrease in FY 2013-14 is primarily due to a lower caseload than previously projected.

REASON FOR YEAR-TO- YEAR CHANGE:

The decrease in total Stage One costs from FY 2012-13 to FY 2013-14 is primarily due to a decrease in the projected number of children receiving care.

CalWORKs Child Care - Stage One Services and Administration

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – Stage One Child Care	Total	Federal	State	County	Reimb.
Services	$315,286	$292,350	$22,936	$0	$0
Administration	59,058	54,762	4,296	0	0

FY 2013-14

Item 101 – Stage One Child Care	Total	Federal	State	County	Reimb.
Services	$281,214	$258,103	$23,111	$0	$0
Administration	54,331	49,866	4,465	0	0

Health & Safety Requirements

DESCRIPTION:

This premise reflects the costs for the Trustline registration program and assuring license-exempt Self-Certification for child care providers meet the health and safety requirements of Assembly Bill (AB) 2053 (Chapter 898, Statutes of 1993), AB 2560 (Chapter 1268, Statutes of 1994), AB 1542 (Chapter 270, Statutes of 1997), Senate Bill (SB) 933 (Chapter 311, Statutes of 1998) and AB 1659 (Chapter 881, Statutes of 1999).

Trustline is a state-mandated registration program that includes fingerprinting of certain child care providers and applicants as well as searching the California Criminal History System, the California Child Abuse Central Index (CACI) and a Federal Bureau of Investigation (FBI) background check. The Trustline registration is required for child care providers in Stage One Child Care compensated by the California Work Opportunity and Responsibility to Kids (CalWORKs) program. This premise also includes the reimbursement cost for processing applications referred by the California Department of Education (CDE).

The California Department of Social Services (CDSS) Community Care Licensing Division (CCLD) is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). The CCLD contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network (CCCRRN) to process the fingerprint and index search file activities. Additionally, CCLD contracts with L-1 Enrollment Services Division, LLC, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to the DOJ.

This premise also reflects the administrative costs associated with ensuring that license-exempt child care providers self-certify that they meet the minimum health and safety standards required by AB 2053, AB 2560 and AB 1542. Effective October 1, 1998, license-exempt providers must also meet the following minimum standards: the prevention and control of infectious diseases, building and physical premises standards and minimum health and safety training appropriate to the provider setting. License-exempt child care providers who are aunts, uncles and grandparents are excluded from these requirements.

IMPLEMENTATION DATE:

The initial Trustline program implemented on September 1, 1995.

This Self-Certification of meeting minimum standards for license-exempt providers implemented on October 1, 1996.

The implementation for the FBI clearance was January 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1596.60 through 1596.68 and Welfare and Institutions Code section 11324.
- Providers for CalWORKs participants who are currently licensed, or who are an aunt, uncle or grandparent of the child, are exempt from Trustline requirements.
- The funding for Trustline and Self-Certification for Fiscal Year (FY) 2012-13 is held to the prior subvention.

Health & Safety Requirements

KEY DATA/ASSUMPTIONS (CONTINUED):

- Voluntary applicants pay fees to cover all costs associated with their Trustline registration.
- For voluntary applicants using Live Scan, this premise includes only the CCCRRN costs. These applicants pay a fee directly to L-1 Enrollment Services Division to cover Live Scan and DOJ charges.
- Included in the L-1 Enrollment Services Division contract is a $35,000 maintenance fee for the Live Scan machines.
- The CCCRRN contract includes a $35 fee for all ancillary applications per SB 702 (Chapter 199, Statutes of 2009), which implemented January 2011. These fees are reimbursed by applicants to the General Fund (GF) outside of the CDSS budget. It is assumed that there are 2,118 ancillary applications for FY 2013-14, based on actual data from calendar year 2012.
- The CDSS Trustline application caseload and expenditures were adjusted for FY 2013-14 to reflect the restoration of the young children exemptions (with more families requiring child care providers, many of whom would be required to self-certify).
- Assumes 12,209 CDSS Trustline applications for FY 2013-14, based on actual data from calendar year 2012.
- Assumes 1,692 voluntary applications for FY 2013-14, based on a trended data from calendar year 2012.
- Assumes 5,059 CDE applications for FY 2013-14, based on the actual number of CDE applications in calendar year 2012.
- This estimate assumes that 100 percent of cases use Live Scan.
- The Trustline Automated Registration Process (TARP) pilot implemented in October 2006, with statewide implementation completed in 26 counties as of July 1, 2011. The projected number of TARP applications for FY 2013-14 is 16,801. The TARP costs ($5 per application) are reflected in the L-1 Enrollment Services Division contract. The contract service fees are as follows:

	FY 2013-14
DOJ Fingerprinting/Criminal History File	$32
DOJ California CACI	$15
DOJ FBI Fingerprints	$17
CCCRRN Application Fee	$35
CCCRRN Incomplete Application Fee	$15
L-1 Enrollment Services Division Live Scan	$16
TARP	$5

Health & Safety Requirements

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Trustline county administration cost per case (CPC) is $138.82, based on actual county expenditures divided by the number of CDSS applications for calendar year 2012.
- The Self-Certification county administration CPC is $226.66, based on actual county expenditures divided by the number of CDSS applications for calendar year 2012.
- The state sharing ratio for Trustline and Self-Certification is 7.9 percent, based on actual county expenditures from calendar year 2012.

METHODOLOGY:

The Trustline cost of each contract is calculated by multiplying the projected number of applications by the cost per activity. The L-1 Enrollment Services Division contract also includes the $35,000 maintenance fee. The Trustline county administration cost was calculated by multiplying the projected number of CDSS applications by the county administration CPC (FY 2013-14: $138.82 x 12,209 = $1.69 million).

The projected Trustline funding is $3.95 million and the breakout is as follows:

	FY 2013-14 (in millions)
DOJ	$1.10
CCCRRN	$0.76
L-1 Enrollment Services Division	$0.40
County Administrative Costs	$1.69

The Self-Certification administration cost for notification of new recipients is calculated by multiplying the projected number of CDSS applications by the county administration CPC (FY 2013-14: $226.66 x 12,209= $2.77 million).

The total Health and Safety Requirement funding is the sum of Trustline and Self-Certification funding (FY 2013-14: $3.95 million + $2.77 million = $6.72 million).

FUNDING:

The state's share reflects the percentage of Health and Safety child care costs for two-parent families, safety net, recent noncitizen entrants and state-only Cal-Learn and is countable toward the state's Maintenance of Effort requirement. The federal Temporary Assistance for Needy Families program share reflects the cost for all other families. All costs associated with services to applicants referred by CDE are funded by reimbursements from CDE. Costs for voluntary and ancillary applicants are paid from the GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. For FY 2013-14, the decrease is primarily due to a decline in the projected number of applications

Health & Safety Requirements

REASON FOR YEAR-TO-YEAR CHANGE:

The overall decrease in projected expenditures is primarily due to a projected decline in the number of applications.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CalWORKs Child Care	**Total**	**Federal**	**State**	**County**	**Reimb.**
Trustline	$4,592	$3,472	$361	$0	$759
Self-Certification	3,179	2,999	180	0	0

FY 2013-14

Item 101 - CalWORKs Child Care	**Total**	**Federal**	**State**	**County**	**Reimb.**
Trustline	$3,952	$2,952	$388	$0	$612
Self-Certification	2,767	2,550	217	0	0

Tribal TANF

DESCRIPTION:

This premise reflects the General Fund (GF) cost to operate Tribal Temporary Assistance for Needy Families (TANF) programs in California. Assembly Bill (AB) 1542 (Chapter 270, Statutes of 1997) allowed GF to be provided for tribes to administer a Tribal TANF program. The California Department of Social Services has established a Memorandum of Understanding (MOU) with the following:

1) California Tribal TANF Partnership (CTTP), representing the tribal members in Amador, Butte, Colusa, Del Norte, Glenn, Humboldt, Lake, Lassen, Modoc, Napa, Plumas, Solano, San Joaquin, Sutter, Trinity and Yuba Counties.
2) The Federated Indians of Graton Rancheria, representing Marin and Sonoma Counties.
3) Hoopa, representing tribal members in Humboldt County.
4) Karuk Tribe representing Siskiyou and Humboldt Counties.
5) Morongo, representing tribal members in Riverside County.
6) North Fork Rancheria (NFR), representing the tribal members in Fresno, Madera, Mariposa and Merced Counties.
7) Owens Valley Career Development Center (OVCDC), representing the tribal members in Fresno, Inyo, Kern, Kings and Tulare Counties.
8) The Pechanga Tribe represents tribal members in Riverside County.
9) Round Valley Indian Tribe representing Mendocino County.
10) Tule Reservation Scotts Valley, representing the tribal members in Contra Costa, Lake, Mendocino and Sonoma Counties.
11) Southern California Tribal Chairman Association (SCTCA), representing tribal members in Santa Barbara and San Diego Counties.
12) Shingle Springs, representing El Dorado, Placer and Sacramento Counties.
13) Soboba, representing tribal members in Riverside County.
14) Torres-Martinez Tribal TANF (TMTT), representing tribal members in Los Angeles and Riverside Counties.
15) Washoe Tribe of Nevada and California, representing tribal members in Alpine, Alameda, El Dorado, Sacramento, Nevada, San Francisco, San Joaquin, San Mateo, Santa Clara, Santa Cruz and Placer Counties.
16) Yurok, representing tribal members in Del Norte and Humboldt Counties.

Additional tribes and expansions are pending.

Federal welfare reform legislation allows for each Indian tribe that has an approved Tribal Family Assistance Plan to receive a Tribal Family Assistance Grant based on Federal Fiscal Year (FFY) 1994 actual expenditures. The administrative authority to operate a TANF program is transferred to the tribes, together with federal and state funding based on FFY 1994 levels. Transferred funds include monies to meet grant costs and administrative costs related to cash aid and Welfare-to-Work (WTW) services.

Tribal TANF

DESCRIPTION (CONTINUED):

The GF costs are based on the estimated participation rates of reimbursement for the counties during FFY 1994, in which the tribal organizations are located. Previously under Senate Bill 1104 (Chapter 229, Statutes of 2004) state funding for existing tribal TANF programs was based on actual program caseloads, including assistance and service only cases effective July 1, 2005, through June 30, 2006. The state funding did not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts. Those programs that had received funding for less than three years did not have their state funding adjusted.

Pursuant to AB 1808 (Chapter 75, Statutes of 2006) beginning July 1, 2006, state funding for tribal TANF programs is based on the caseload used to develop the Tribal Family Assistance Grant negotiated with the federal Administration for Children and Families and the state. The state funding will not exceed the original state share designated for the tribal TANF program in the original negotiation of 1994 caseload counts.

IMPLEMENTATION DATE:

Tribe	Implementation Date
CTTP	The original CTTP implemented in July 2003; the CTTP Phase II implemented in July 2004.
Graton	May 2008
Hoopa	October 2004
Karuk	December 2008
Morongo	March 2006
NFR	The original NFR implemented in August 2003; the NFR - Phase II in Fresno County implemented in July 2007.
OVCDC	The original OVCDC Tribes in Inyo and Kern counties implemented in May 2001 and October 2001, respectively. The OVCDC Tribe expansion in Tule River Reservation and Tulare County implemented in July 2002. Additional OVCDC Tribes in Fresno and Kings Counties implemented in January 2004.
Pechanga	May 2011
Round Valley	January 2009
Scotts Valley	The Tule Reservation Scott’s Valley Band of Pomo Indians that represents tribal members from Contra Costa County implemented in January 2008. Tribes from Lake, Mendocino and Sonoma Counties added in December 2011.
SCTCA	The original SCTCA Tribes implemented in March 1998. Seventeen additional tribes in San Diego County implemented in May 1999. Another tribal expansion in San Diego County implemented in June 2006.
Shingle Springs	June 2010
Sobba	October 2005
TMTT	The original TMTT Tribes in Los Angeles and Riverside Counties implemented in May 2001. The TMTT tribal service area expansion in nine additional cities in Riverside County implemented in April 2002.

Tribal TANF

IMPLEMENTATION DATE (CONTINUED):

Tribe	Implementation Date
Washoe	The original Washoe Tribe implemented in January 2003. Washoe Phase II implemented in July 2005. Washoe Phase III was not implemented in California because it included two counties in the state of Nevada and was therefore negotiated with Nevada. Phase IV was not implemented because it included counties that were already covered by other tribes and were not available to Washoe. Washoe Phase V implemented Amador County in October 2008.
Yurok	August 2006

Tribe	Implementation updates
TMTT	Augustine has been granted approval of a MOU to withdraw from TMTT, which will result in five less cash aid cases and three less WTW cases.
Morongo	San Bernardino is seeking approval of a MOU for their January 1, 2014, implementation with an updated anticipated caseload (1,523 cash aid cases and 117 WTW cases).
TMTT	Orange County is seeking an approval of a MOU for their January 1, 2014, implementation (516 cash aid cases and 40 WTW cases).
Scotts Valley	Big Valley Expansion is seeking an approval of a MOU for their July 1, 2013, implementation (28 cash aid cases and 2 WTW cases).

The implementation date of the following tribes: Mono, Calaveras, Tehama, Yolo, Hopland, Mendocino, Ventura, Modoc, Shasta, Pinoleville (Sonoma, Lake, Mendocino, Napa Counties), Redding Rancheria (Shasta, Trinity Counties), Smith River (Del Norte, Humboldt Counties), Washoe (Monterey, San Benito, San Luis Obispo, Sierra Counties), and Scotts Valley expansion (Lake, Sonoma, Mendocino Counties) were delayed from January 2013 to July 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10553.25.
- The TANF transferred directly to the tribes and the state participation rates for FFY 1994 are estimated based on the following:
- The average monthly cash aid cost of $211.34 per person is based on the average cash aid expenditure amount per person for FFY 1994.
- The average monthly number of cash aid cases is 18,080 in Fiscal Year (FY) 2012-13 and 21,000 in FY 2013-14.
- The average number of persons per case is 2.9.
- The average monthly number of cases receiving WTW services is 1,750 in FY 2012-13 and 1,973 in FY 2013-14.
- The average monthly WTW services cost per person is $206.36.
- The average monthly administrative cost per case is $50.73.

Tribal TANF

METHODOLOGY:

The TANF transferred directly to the tribes and the state participation rates for FFY 1994 are calculated as follows:

- The grant costs were derived by multiplying the average number of persons per case by the number of cases to determine the total number of persons. The total number of persons was then multiplied by the cash aid cost per person.
- The WTW services costs were derived by multiplying average monthly number of persons receiving WTW services by the average monthly WTW services cost per person.
- The administrative costs were derived by multiplying the average number of cash aid cases by the average monthly administrative cost per case.
- The state funded grants, county administration and WTW services for Tribal TANF are as follows:

(in 000s)	FY 2012-13			FY 2013-14	
Grants	WTW Services	County Administration	Grants	WTW Services	County Administration
$63,230	$1,661	$4,154	$73,442	$1,868	$4,823

FUNDING:

The GF amount will be counted toward the state's Maintenance of Effort (MOE) requirement. The GF share of grant costs is 47.5 percent. The GF share of administrative and WTW services costs is based on the applicable state percentage that was reimbursed during FFY 1994 in those counties in which the tribal organizations are located. The counties are not funding their normal 2.5 percent share of grant costs of their MOE share of the costs. The direct distribution of TANF funds to the tribal organizations reduces both the TANF block grant available to the state and the state's MOE requirement. The state's MOE has been reduced in the same proportion as the reduction in the block grant.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 is primarily due to revising implementation date for 24 tribes from January 2013 to July 2013. The decrease in FY 2013-14 is primarily due to revising implementation date for Orange County in TMTT Tribe from January 2013 to January 2014 and the decrease in caseload for San Bernardino in Morongo Tribe, but it is slightly offset by the Big Valley Expansion in Scott Valley Tribe.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a full year implementation.

Tribal TANF

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – Tribal TANF	**Total**	**Federal**[1]	**State**	**County**	**Reimb.**
Tribal TANF	$69,045	$0	$69,045	$0	$0

FY 2013-14

Item 101 – Tribal TANF	**Total**	**Federal**[1]	**State**	**County**	**Reimb.**
Tribal TANF	$80,133	$0	$80,133	$0	$0

1/ The federal share of the above costs was deducted from the TANF block grant to show the transfer of funds to the tribal organizations, a total of $74.2 million in FY 2012-13 and $86.1 million in FY 2013-14.

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TANF/MOE in Other State Agencies

DESCRIPTION:

This premise consolidates several premises associated with Temporary Assistance for Needy Families (TANF) funds and Maintenance of Effort (MOE) expenditures in other state agencies. The TANF funds are used for eligible services in other departments' programs that also serve California Work Opportunity and Responsibility to Kids (CalWORKs) and needy families. Local and state expenditures by the California Department of Social Services (CDSS) and other departments on behalf of TANF/CalWORKs-eligible families may be counted toward the state's MOE required for the TANF block grant.

Expenditures that would have been authorized in Federal Fiscal Year (FFY) 1995 and allowable under the former Aid to Families with Dependent Children (AFDC) program, Job Opportunities and Basic Skills, Emergency Assistance, Child Care for AFDC recipients, At-Risk Child Care or Transitional Child Care programs, may count toward the MOE. Expenditures not previously authorized and allowable, are countable up to the amount by which current year allowable expenditures exceed the total state program expenditures in FFY 1995. State expenditures that are used as a match to draw down other federal funding are generally not countable toward the TANF MOE.

The MOE-eligible expenditures have been identified in three state agencies:

- California Community Colleges (CCC) - Qualifying expenditures include work-study, other education-related work experience, job placement services, child care services, as well as coordination with county welfare offices to determine eligibility and availability of services provided to students who are CalWORKs recipients.
- California Department of Education (CDE) - Qualifying expenditures include child care programs that provide services for families who are served in the CalWORKs program as well as for families who are income eligible but not currently receiving TANF benefits.
- Department of Child Support Services (DCSS) - Qualifying DCSS expenditures include the cost to fund the state portion of the $50 payment that is disregarded from child support collections and passed through to the custodial parent.

The CDSS transfers TANF to the following state agencies:

- CCC - The TANF pass-through reimburses CCC for the federal share of costs of educational services provided to participants of the Welfare-to-Work (WTW) program.
- CDE - The TANF pass-through reimburses CDE for the federal share of costs for educational activities designed to increase self-sufficiency, job training, and work for CalWORKs clients.
- California Student Aid Commission (CSAC) - The TANF transfer reimburses CSAC for Cal Grants that are awarded to low-income students attending public or private colleges and universities.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Title 45, Code of Federal Regulations, sections 263.2 – 263.6.

TANF/MOE in Other State Agencies

KEY DATA/ASSUMPTIONS (CONTINUED):

MOE Expenditures in Other State Agencies

- It is assumed the eligible MOE expenditures claimed by CCC will be $26.7 million in FY 2012-13 and FY 2013-14.
  - Services provided by CCC include work-study, other education-related work experience, job placement services, child care services, and coordination with county welfare offices to determine eligibility and availability of services. Current CalWORKs recipients may utilize these services until their educational objectives are met.
  - These funds are required to be expended for educational-related services for CalWORKs program eligible recipients only.
- It is assumed that eligible MOE expenditures claimed by CDE will be $482.4 million in FY 2012-13 and $484.4 million in FY 2013-14.
  - Federal regulations allow state expenditures for child care to satisfy both the Child Care Development Fund (CCDF) MOE and the TANF MOE, provided that these expenditures meet the MOE requirements for both grants. The total “double-countable” expenditures cannot exceed the MOE level for the CCDF ($85.6 million).
  - All TANF/CalWORKs-eligible families meet CCDF eligibility requirements and would, therefore, meet both the CCDF and TANF MOE expenditure requirements.
  - If a state has additional child care expenditures that have not been used toward meeting the CCDF MOE requirement or to receive federal matching funds, these expenditures may count toward the state’s TANF MOE, provided that the benefiting families meet the state’s definition for TANF eligibility. All other TANF MOE requirements and limitations, as set forth in federal regulations, must also be met.
- It is assumed the eligible MOE expenditures claimed by DCSS will be $13.6 million in FY 2012-13 and $13.2 million in FY 2013-14, based on projected expenditures from DCSS.
  - The child support payment data are based on the counties’ monthly CS 35 Reports and the Child Support Services Supplement to the CS 34 Monthly Report of Collections and Distributions.
  - The $50 disregard share of cost is shared between the state and the federal government.

TANF Transfers to Other State Agencies

- The contracted amounts of TANF pass-through are $8.4 million for CCC and $9.9 million for CDE, totaling $18.3 million.
- The TANF transfer to CSAC for Cal Grant expenditures that meet the criteria for TANF funding is approximately $803.7 million and $924.2 million for FY 2012-13 and FY 2013-14, respectively.
- There are two components of the Cal Grants awards used for this premise.

TANF/MOE in Other State Agencies

KEY DATA/ASSUMPTIONS (CONTINUED):

- Cal Grant A can be used for tuition and fees at public and private colleges as well as some occupational and career colleges.
- Cal Grant B provides low-income students with a living allowance and assistance with tuition and fees.
- The following criteria are applied to the Cal Grant expenditures:
    - Exclude state expenditures used as federal match
    - Exclude federally funded expenditures
    - Exclude TANF ineligible expenditures (Cal Grant B Access and Cal Grant C)
    - Include expenditures that meet TANF criteria (unmarried students age 25 or younger and with annual parental/student income at or below $50,000 threshold)

METHODOLOGY:

The specified amounts of TANF funds to be transferred from CDSS to CCC and to CDE are established by interagency agreements.

The projected TANF funding for Cal Grants reflects the projected amount of qualifying expenditures that will be funded by TANF to achieve General Fund (GF) savings.

The projected expenditures from CCC and DCSS that count towards the MOE requirement are estimated and provided by each agency, respectively.

The projected expenditures from CDE that count towards the MOE requirement are calculated by multiplying the total funding for child care programs by the percent of TANF-eligible families receiving services.

FUNDING:

Funds that are passed through to CCC, CDE and CSAC are 100 percent TANF. Expenditures that are claimed as MOE are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in the amount of TANF being transferred to other state agencies is due to less TANF being transferred to CDE based on the most recent interagency agreement.

The decrease in MOE-eligible expenditures in other state programs is primarily due to a decrease in qualifying expenditures.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in TANF funds transferred to other agencies is due to an increase in TANF-eligible expenditures projected by CSAC.

The increase in MOE-eligible expenditures in other state programs is primarily due to a projected increase in qualifying expenditures.

TANF/MOE in Other State Agencies

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – Other TANF Items	**Total**	**Federal**	**State**	**County**	**Reimb.**
TANF Pass-Through for State Agencies	$18,322	$18,322	$0	$0	$0
TANF Transfer to Student Aid Commission	803,754	803,754	0	0	0
TANF Page – MOE Eligible Expend.					
Community Colleges-Expansion of Svcs.	26,695	0	26,695	0	0
CDE Child Care Programs	482,361	0	482,361	0	0
State Disregard Payment to Families	13,561	0	13,561	0	0

FY 2013-14

Item 101 – Other TANF Items	**Total**	**Federal**	**State**	**County**	**Reimb.**
TANF Pass-Through for State Agencies	$18,322	$18,322	$0	$0	$0
TANF Transfer to Student Aid Commission	924,216	924,216	0	0	0
TANF Page – MOE Eligible Expend.					
Community Colleges-Expansion of Svcs.	26,695	0	26,695	0	0
CDE Child Care Programs	484,363	0	484,363	0	0
State Disregard Payment to Families	13,197	0	13,197	0	0

Kinship Guardianship Assistance Payment Program

DESCRIPTION:

This premise reflects the costs associated with the Kinship Guardianship Assistance Payment (Kin-GAP) program. The Kin-GAP program is intended to enhance family preservation and stability by recognizing that many foster children are in long-term, stable placements with relatives and these placements are the permanent plan for the child. Accordingly, a dependent child who has been living with a relative for at least six months may receive a subsidy if the relative assumes guardianship and the dependency is dismissed. Once dependency is dismissed, there is no need for continued governmental intervention in the family life through ongoing or scheduled court and social services supervision of the placement. The Kin-GAP program is authorized by Senate Bill 1901 (Chapter 1055, Statutes of 1998) and modified by Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999).

The Kin-GAP rates are equivalent to the basic Foster Care (FC) rate for children placed in a licensed or approved home as specified in Welfare and Institutions Code (W&IC) section 11461, subdivisions (a) through (d). In addition, when a child is living with a minor parent for whom a Kin-GAP payment is made, the payment shall include an amount for the care and supervision of the child. AB 1111 changed the effective date of the Kin-GAP program to January 1, 2000.

Pursuant to AB 1808 (Chapter 75, Statutes of 2006), enhanced benefits for the Kin-GAP program became effective October 1, 2006. Provisions of AB 1808 increased the basic Kin-GAP rate to include all clothing allowances and specialized care increments (SCI) the child would have been eligible for while in FC.

Pursuant to AB 12 (Chapter 559, Statutes of 2010), cases that were determined to be federal Title IV-E eligible have converted to the Federal Kin-GAP (Fed-GAP) program upon annual redetermination, effective January 1, 2011. Prospective federally eligible cases that would have entered the Kin-GAP program on or after January 1, 2011, now enter the Fed-GAP program.

IMPLEMENTATION DATE:

The Kin-GAP program implemented on January 1, 2000.

The Kin-GAP enhancements implemented on October 1, 2006.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC sections 11360 through 11380.
- The Kin-GAP rate is equivalent to the basic FC rate for children placed in a licensed or approved Foster Family Home (FFH), including all clothing allowances and SCIs received while in FC, as specified in statute.
- Federal and nonfederal caseloads are based on actual cases reported on the CA 800 KG, Summary Report of Expenditures for the Kin-GAP program, from December 2011 through December 2012.
- The State-Only Kin-GAP program is available for those cases that are not eligible for the Fed-GAP program but are eligible for the Kin-GAP program. This would include cases that transferred from the California Work Opportunity and Responsibility to Kids program, Permanent Residence under Color of Law and cases that are determined non-federally eligible upon annual review.

Kinship Guardianship Assistance Payment Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the most recent actual data, non-federally eligible cases represent approximately 60.5 percent of the total Kin-GAP caseload. Federally eligible cases have been transferred to the Fed-GAP program. Non-Federally eligible cases remain in the Kin-GAP program.
- The average Kin-GAP basic grant payments are based on a 12 month period of actual expenditures and cases reported on the CA 800 KG from June 2011 through May 2012. The average Kin-GAP basic grant payment is $643.16.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is displayed in the Kin-GAP Basic Cost. The Kin-GAP Cost-of-Living Adjustment (COLA) increases for Fiscal Year (FY) 2012-13 and FY 2013-14 are displayed separately in the Kin-GAP COLA Increase premise.
- Based on actual expenditures through December 2012, the cost of ongoing county Kin-GAP administrative functions is $57.03 per case per month.
- State and county expenditures associated with all cases are considered to be eligible for the state's Temporary Assistance for Needy Families Maintenance of Effort requirement.
- This estimate assumes no Title IV-E federal funding.
- Based on data from all counties, the average initial clothing allowance provided to new cases is $220 and $99 annually thereafter.

METHODOLOGY:

The costs are calculated by multiplying the total number of casemonths by the average monthly Kin-GAP rate. The Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

FUNDING:

- For assistance costs, funding is provided by 79 percent General Fund (GF) and 21 percent county funds.
- For administrative costs, funding is provided by 50 percent GF and 50 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 and FY 2013-14 increases in the Kin-GAP assistance and administrative costs reflect a 32 percent increase in the Kin-GAP caseload resulting from more cases staying in the State-Only Kin-GAP program than previously assumed.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the assistance and administrative costs reflect a projected caseload increase of 0.5 percent.

Kinship Guardianship Assistance Payment Program

CASELOAD:

	FY 2012-13	FY 2013-14
Average Monthly Caseload	7,999	8,040

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – Kin-GAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Kin-GAP - Basic Cost	$61,730	$0	$48,767	$12,963	$0
Kin-GAP - Administration	5,474	0	2,737	2,737	0

FY 2013-14

Item 101 – Kin-GAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Kin-GAP - Basic Cost	$62,048	$0	$49,018	$13,030	$0
Kin-GAP - Administration	5,502	0	2,751	2,751	0

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Kinship Guardianship Assistance Payment (Kin-GAP) COLA Increase

DESCRIPTION:

This premise reflects the costs associated with the annual California Necessities Index (CNI) Cost-of-Living Adjustment (COLA) for Kin-GAP program cases. This premise is the result of the *California Alliance of Child and Family Services v. William Lightbourne, et al.* court decision.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11461.
- This estimate reflects costs for 58 counties.
- Federal and non-federal Kin-GAP caseloads are based on actual cases reported on the CA 800 KG, Summary Report of Expenditures for the Kin-GAP program, from December 2011 through December 2012.
- The Kin-GAP rate is equivalent to the Foster Care (FC) basic rate for children placed in a licensed or approved Foster Family Home, including all clothing allowances and specialized care increments received while in FC, as specified in statute.
- The projected Kin-GAP basic grant payment is based on a 12 month period of actual expenditures and cases reported on the CA 800 KG from June 2011 through May 2012. The projected Kin-GAP basic grant payment was held to the Fiscal Year (FY) 2011-12 amounts to reflect Kin-GAP expenditure data prior to the FY 2012-13 COLA implementation. Before the COLA is applied, the projected Kin-GAP basic grant payment is estimate to be $643.16.
- The projected Kin-GAP grant is adjusted to include a COLA increase of 2.98 percent for FY 2012-13 and an additional COLA increase of 2.65 percent for FY 2013-14. The COLA is based on the CNI.

METHODOLOGY:

The FY 2012-13 Kin-GAP COLA costs for the 58 counties are calculated by increasing the FY 2011-12 average grant by the FY 2012-13 COLA of 2.98 percent beginning July 1, 2012. The FY 2013-14 Kin-GAP COLA costs for the 58 counties are calculated by further increasing the average grant by the FY 2013-14 COLA of 2.65 percent beginning July 1, 2013.

FUNDING:

Funding is provided by 79 percent General Fund and 21 percent county funds.

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Kinship Guardianship Assistance Payment (Kin-GAP) COLA Increase

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 and FY 2013-14 increases reflect a 32 percent increase in the Kin-GAP caseload resulting from more cases staying in the State-Only Kin-GAP program than previously assumed.

REASON FOR YEAR-TO-YEAR CHANGE:

The net increase reflects a further projected caseload increase of 0.5 percent as well as the additional CNI increase for FY 2013-14.

CASELOAD:	**FY 2012-13**	**FY 2013-14**
Average Monthly Caseload	7,999	8,040

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 – Kin-GAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Kin-GAP COLA Grant	$1,840	$0	$1,453	$387	$0

FY 2013-14

Item 101 – Kin-GAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Kin-GAP COLA Grant	$3,543	$0	$2,799	$744	$0

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

DESCRIPTION:

This premise reflects the fiscal impact of Assembly Bill (AB) 12 (Chapter 559, Statutes of 2010), which exercises the federal option of extending Foster Care (FC) benefits detailed in the Fostering Connections to Success and Increasing Adoptions Act of 2008, Public Law (PL) 110-351. AB 12 required the California Department of Social Services (CDSS) to amend its current Title IV-E state plan to extend benefits up to age 21 for youth in the FC program, Kinship Guardianship Assistance Payment (Kin-GAP) program, Federal Kinship Guardianship Assistance Payment (Fed-GAP) program and Adoption Assistance Program (AAP), as well as youth who receive aid payments through the California Work Opportunity and Responsibility to Kids (CalWORKs) program. The provisions of AB 12 create a new population of dependent youth, referred to as Non-Minor Dependents (NMDs). AB 12 extends the age limit for youth to receive benefits so that these youth receive support in learning to be self-sufficient while still in the security of supervised living placements, with the goal of improving outcomes for this population when they transition to self-sufficiency.

Eligibility for extended benefits up to age 21 is available to NMDs who meet at least one of the five following criteria. The youth:

- Is completing secondary education or a program leading to an equivalent credential
- Is enrolled in an institution that provides postsecondary or vocational education
- Is participating in a program or activity designed to promote or remove barriers to employment
- Is employed for at least 80 hours a month
- Is incapable of doing any of the above due to a medical condition that is documented regularly in the NMD's case plan

In addition to the above criteria, for the AAP, Kin-GAP and Fed-GAP programs, the NMD had to have entered into one of these programs at age 16 or older.

The premise also reflects the cost avoidance to CalWORKs and CalFresh as a result of youth staying in care longer.

IMPLEMENTATION DATE:

AB 12 also authorizes Kin-GAP cases that are determined to have a disability to receive extended benefits up to age 21 regardless of the age these cases were upon entering Kin-GAP. Extending benefits for disabled cases implemented on January 1, 2011.

The extension of benefits up to age 19 implemented on January 1, 2012, and up to age 20 implemented on January 1, 2013. On January 1, 2014, the extension of benefits will increase to age 21.

The extending of benefits for disabled Kin-GAP cases beyond age 18 implemented on January 1, 2011. The extension of benefits beyond age 18 for all other qualified cases implemented on January 1, 2012.

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 12 and PL 110-351.
- The FC, Fed-GAP, AAP and Child Welfare Services (CWS) programs have been realigned and are included in the Realigned Programs premise.
- Caseload data used in this premise is based on the Urban Institute Report on extending FC benefits to 21 years of age.

<u>CalWORKs</u>

- The extension of benefits results in an additional five Child-Only cases per month in Fiscal Year (FY) 2012-13 and an additional seven Child-Only cases per month in FY 2013-14.
- Assumes 68 percent of the Child-Only cases will continue to remain with their non-needy caretaker relative and receive a Child-Only grant.
- The monthly projected Child-Only grant cost is $317 (the maximum aid payment [MAP] of an assistance unit [AU] of one).
- The monthly Child-Only administration cost is $33.58 per case.
- Cost avoidance is assumed for 90 cases per month in FY 2012-13 and 149 cases per month in FY 2013-14, where FC youth will have extended benefits rather than enrolling in the CalWORKs program after emancipating.
  - Grant cost avoidance per case is $516 (the MAP for an AU of two) per month.
  - Administrative cost avoidance is a one-time $197.75 fee per new case for intake costs and $33.58 per case per month for ongoing costs.
  - Employment Services annual cost avoidance is $355,715 in FY 2012-13 and $682,716 in FY 2013-14 which represents a reduction of 0.046 percent and 0.077 percent of the Employment Services caseload, respectively.
  - Child Care cost avoidance is $737.73 per child per month in FY 2012-13 and $774.65 per child per month in FY 2013-14. The estimate assumes the normal child care utilization rate for CalWORKs, which is 15.78 percent based on actual data from the Welfare-to-Work 25/25 A and CW 115/115 A reports.

<u>Kin-GAP</u>

- Assumes two Kin-GAP cases will extend beyond age 18 due to a disability. This is based on point-in-time Kin-GAP Dual Agency cases, by age, as of March 31, 2010.
- Based on county data, it is assumed that 80 percent of foster youth that would normally emancipate at age 17 will continue to receive benefits until age 19 as a result of AB 12. Data from the Urban Institute Report on extending FC benefits to 21 years of age indicated that 37 percent of foster youth that would normally emancipate at age 17 will continue to receive benefits until age 20, and 30 percent of foster youth that would normally emancipate at age 17 will continue to receive benefits until age 21.

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Kin-GAP AB 12 caseload was also increased to include youth that turned 18 years of age in 2011. This also includes youth who did not qualify to continue to receive federal or state FC, but continued to receive FC funded with county-only dollars. These youth are now eligible to receive an aid to families with dependent children-foster care payment in January 2012 and will be able to extend until age 21.
- The FY 2012-13 assumes a total of 119 cases and FY 2013-14 assumes a total of 150 cases will enter the Kin-GAP program at the age of 16 or older. This is based on entrances into the Kin-GAP program as of April 1, 2010. This includes the impact of Kin-GAP interstate compact for the placement of children cases residing outside of California.
- It is projected that ten average monthly Kin-GAP cases in FY 2012-13, and 13 average monthly Kin-GAP cases in FY 2013-14 will receive extended benefits beyond age 18.
- The projected Kin-GAP grant is $732.52 for FY 2012-13 and $751.93 for FY 2013-14. This reflects a combination of the basic grant for ages 15-19, based on the FC Foster Family Home (FFH) rate of $627, plus an additional Kin-GAP benefits such as a specialized care increment and a clothing allowance which is determined on a case-by-case basis.
- The projected Kin-GAP grant is adjusted to include a Cost-of-Living Adjustment (COLA) increase of 2.98 percent for FY 2012-13 and an additional COLA increase of 2.65 percent for FY 2013-14. The COLA is based on the California Necessities Index.
- The impact of the *California Foster Parent Association v. William Lightbourne, et al.* court decision that increased the FFH basic rate is now reflected in this premise.
- Based on actual Kin-GAP expenditure data, the projected average monthly administrative cost is $57.03 per case for FY 2012-13 and FY 2013-14.

<u>CalFresh (CF)</u>

- It is assumed that 22 percent of the youth who age out of FC receive CF benefits. An estimated 30 cases per month are calculated as cost avoidance to CF due to AB 12 FC extension between July 2012 and December 2012.
- Of the average of 130 cases per month (up to age 19) and 139 cases per month (up to age 20) beginning January 2013 that will receive extended FC benefits under AB 12, it is assumed that 14 percent would not have been eligible for CF benefits because they will receive Social Security Income benefits. Additionally, approximately 19 percent of the cases would not have been eligible for CF benefits due to having a student status.
- Of the remaining cases that are potentially eligible for CF, it is assumed that an estimated 31 cases per month for calendar year 2013 and 24 cases per month between January 2014 and June 2014 would have applied for CF naturally as they aged out of the FC program.
- Since the implementation of Transitional CF for Foster Youth (AB 719) has been suspended, the cases that would have been eligible for CF under AB 719 are no longer reflected in this premise. See the AB 719 premise description for more information.

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on coupon cost expenditures in calendar year 2012, the average benefit per foster youth is estimated to be $148.70 per month through October 2013, decreasing to $142.75 beginning November 1, 2013, as a result of the expiration of American Recovery and Reinvestment Act of 2009 (ARRA) enhanced benefits. Note that the President's federal fiscal year 2014 budget calls for extending the ARRA enhanced benefits through March 31, 2014.

METHODOLOGY

CalWORKs

- Grant and administration costs for Child-Only cases are calculated by multiplying the caseload by the average grant cost per case per month and average administration cost per case per month, respectively.
- Grant cost avoidance is calculated by multiplying the MAP for an AU of two by the number of months that a case would have been on aid.
- Administrative cost avoidance is calculated by multiplying the intake costs by the number of new cases and added to the ongoing monthly administrative cost multiplied by the number of case months.
- Employment Services cost avoidance is calculated by removing the cost avoidance caseload from the Employment Services Basic estimate and calculating the difference in estimated expenditures.
- Child Care cost avoidance is calculated by multiplying case months by the cost per case for child care and by the utilization rate.

Kin-GAP

- To estimate the cost of extending Kin-GAP benefits, the total number of casemonths is multiplied by the average Kin-GAP grant. The Kin-GAP administrative costs are calculated by multiplying the projected casemonths by the monthly administrative cost per case.

CalFresh

- The CF administrative savings are calculated by multiplying the number of CF-eligible cases remaining in FC per month by the administrative costs, calculated as follows:
  - Monthly administrative costs associated with processing new cases are calculating by multiplying new cases by the intake cost of $51.
  - Monthly administrative costs associated with processing mid-period changes are calculated by multiplying ongoing cases by 7.2 percent and by $28.23.
  - Quarterly administrative costs associated with processing quarterly reports are calculated by multiplying ongoing cases by $39.33 on a quarterly basis or $13.11 on a monthly basis. Beginning October 1, 2013, regular ongoing administration costs will be $9.37 on a monthly basis as a result of the implementation of semiannual reporting (SAR).

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

METHODOLOGY (CONTINUED):

- The impact to California Food Assistance Program (CFAP) is assumed to be one percent of the corresponding Non-Assistance CF costs.

Automation

- It is assumed that the costs for automation are $3.5 million in FY 2012-13 and $3.3 million in FY 2013-14. The costs will be split among the programs that are impacted by AB 12.

FUNDING:

AB 12 costs/savings are shared at the same ratios as in their respective programs.

The CFAP benefit savings are 100 percent General Fund (GF). Administrative savings for CF are 50 percent Food and Nutrition Service (federal) funds and 50 percent GF.

Extended benefits through CalWORKs Child-Only cases are 100 percent state-funded and are not Maintenance of Effort (MOE) countable. Cost avoidance for CalWORKs grants are 97.5 percent Temporary Assistance for Needy Families (TANF)/MOE and 2.5 percent county funded. Administration, Employment Services and Child Care cost avoidance are 100 percent TANF/MOE.

Funding for FC automation is shared 70 percent GF and 30 percent county fund.

The funding for the FC, Fed-GAP, AAP and CWS programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

CalWORKs – The funding for CalWORKs Child-Only and cost avoidance in FY 2012-13 has been held to the 2012 November Estimate. The decrease in CalWORKs child care cost avoidance for FY 2013-14 is due to a decrease in child care utilization rate.

Kin-GAP – There is no change for FY 2012-13. The FY 2013-14 increase reflects an increase in the administrative cost.

CFAP grants and CF administration – The decreases in savings in FY 2012-13 and FY 2013-14 are primarily due to suspension of the AB 719 premise, which would have made certain FC youth automatically eligible for CF and would have served as cost avoidance to AB 12.

Automation – There is no change for FY 2012-13. The increase in FY 2013-14 reflects an updated estimate from the Consortia.

REASON FOR YEAR-TO-YEAR CHANGE:

CalWORKs – The increase in program costs and cost avoidance savings for the CalWORKs program is due to the addition of a new cohort of NMDs who will be eligible for extended benefits under AB 12 beginning January 2014.

Kin-GAP – The increase is due to the addition of a new cohort of NMDs who will be eligible for extended benefits under AB 12 beginning January 2014.

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

REASON FOR YEAR-TO-YEAR CHANGE (CONTINUED):

Automation – The FY 2013-14 reflects an updated estimate from the Consortia.

CFAP grants and CF administration – The increases in savings reflect a new group of FC kids who will be eligible for extended benefits under AB 12 beginning January 2014. For CF administration, the increase is slightly offset by the implementation of SAR on October 1, 2013. For CFAP grants, the increase slightly offset by the expiration of ARRA enhanced benefits on November 1, 2013.

Expenditures:
(in 000s)

FY 2012-13

Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
AB 12 – Grants Cost Avoidance	-$556	-$542	$0	-$14	$0
Item 101 – CalWORKs Services					
AB 12 – Services Cost Avoidance	-356	-356	0	0	0
Item 101 – CalWORKs Administration					
AB 12 – Administration Cost Avoidance	-49	-49	0	0	0
Item 101 – CalWORKs Child Care					
AB 12 – Child Care Cost Avoidance	-130	-130	0	0	0
Item 101 – Kin-GAP Assistance					
AB 12 - Kin-GAP Grants Impact	102	0	81	21	0
AB 12 - Kin-GAP Administration Impact	4	0	2	2	0
Item 101 – CFAP					
AB 12 – CFAP Grants	-6	0	-6	0	0
Item 101 – AB 12 Service-Only FC Cases					
Grants	133	0	130	3	0
Administration	14	0	14	0	0
Item 141 – CalFresh Administration					
AB 12 – CF Admin	-75	-37	-38	0	0
Item 141 – Automation					
AB 12 - Automation	3,510	0	3,275	235	0

Extend Foster Care, Kin-GAP and AAP Benefits (AB 12) – After 18 Program

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2013-14				
Item 101 – CalWORKs Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
AB 12 – Grants Cost Avoidance	-$921	-$898	$0	-$23	$0
Item 101 – CalWORKs Services					
AB 12 – Services Cost Avoidance	-683	-683	0	0	0
Item 101 – CalWORKs Administration					
AB 12 – Administration Cost Avoidance	-72	-72	0	0	0
Item 101 – CalWORKs Child Care					
AB 12 – Child Care Cost Avoidance	-218	-218	0	0	0
Item 101 – Kin-GAP Assistance					
AB 12 - Kin-GAP Grants Impact	113	0	89	24	0
AB 12 - Kin-GAP Administration Impact	8	0	4	4	0
Item 101 – CFAP					
AB 12 – CFAP Grants	-12	0	-12	0	0
Item 101 – AB 12 Service-Only FC Cases					
Grants	350	0	341	9	0
Administration	37	0	37	0	0
Item 141 – CalFresh Administration					
AB 12 – CF Admin	-121	-60	-61	0	0
Item 141 – Automation					
AB 12 - Automation	3,342	0	3,223	119	0

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Nonrecurring Costs (AB 212)

DESCRIPTION:

This premise provides funding to reimburse the nonrecurring expenses of relatives who obtain legal guardianship of related foster children. The Fostering Connections to Success and Increasing Adoptions Act of 2008 (Public Law 110-351) created a Title IV-E option that allows states to provide Kinship Guardianship Assistance Payments (Kin-GAP) to relatives who assume legal guardianship of related foster children. The Act requires a written, binding Kin-GAP agreement that specifies, among other things, the Title IV-E agency reimburse the legal guardian for the nonrecurring expenses associated with obtaining legal guardianship of the child, not to exceed $2,000.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11364.6 and Assembly Bill 212 (Chapter 459, Statutes of 2011).
- This estimate reflects costs for 58 counties.
- The maximum reimbursement per case is $2,000.
- Based on actual caseload and expenditure data from the Adoptions program, it is assumed that an average of 36.48 percent of relative foster parents will submit a claim in Fiscal Year (FY) 2012-13 and FY 2013-14.
- Based on the caseload reported on the CA 237 KG Caseload Movement Report, approximately 18.6 percent of Foster Care children served in California Work Opportunity and Responsibility to Kids transfer to Kin-GAP program. As a result, an average of 153 monthly cases are assumed to be eligible for the state-only Kin-GAP program in FY 2012-13 and FY 2013-14.
- The Federal Kin-GAP (Fed-GAP) and the Child Welfare Services (CWS) program portions of this estimate are included in the Realigned Programs premise.

METHODOLOGY:

The average monthly Kin-GAP caseload is multiplied by the $2,000 maximum reimbursement per case.

FUNDING:

- The Kin-GAP program costs are funded with 100 percent General Fund.
- The funding for the Fed-GAP and the CWS programs portion of this estimate is included in the Realigned Programs premise.

Nonrecurring Costs (AB 212)

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 and FY 2013-14 decreases reflect an assumed decreased caseload based on the assumption that less relative foster parents will be submitting claims.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – Kin-GAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Kin-GAP Grants	$305	$0	$305	$0	$0

FY 2013-14

Item 101 – Kin-GAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Kin-GAP Grants	$305	$0	$305	$0	$0

Title IV-E Child Support Collections/Recovery Fund

DESCRIPTION:

This premise reflects the estimated federal share of Foster Care (FC) child support collections as determined by the California Department of Child Support Services (DCSS). The DCSS is responsible for transferring to the Recovery Fund the federal share of FC collections as reported to the federal government. The FC child support collections offset the Title IV-E share of FC expenditures.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: Social Security Act section 457(6)(e)(1).
- The estimated federal share of FC collections is provided by DCSS based on the most recent budget process.
- The level of federal financial participation is assumed to be 50 percent based on the Federal Medical Assistance Percentage.

METHODOLOGY:

The estimates are provided by DCSS.

FUNDING:

The FC child support collections will offset the Title IV-E share of FC expenditures.

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2012-13 and FY 2013-14 decreases in collections reflect updated actual FC collections.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in collections reflects updated actual FC collections.

EXPENDITURES:

(in 000s)

			FY 2012-13		
Item 101 – Foster Care	**Total**	**Federal**	**State**	**County**	**Reimb.**
Offset Collections	-$8,183	-$8,183	$0	$0	$0
Recovery Fund	8,183	8,183	0	0	0

Title IV-E Child Support Collections/Recovery Fund

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2013-14				
Item 101 – Foster Care	**Total**	**Federal**	**State**	**County**	**Reimb.**
Offset Collections	-$8,019	-$8,019	$0	$0	$0
Recovery Fund	8,019	8,019	0	0	0

Realigned Programs

DESCRIPTION:

Senate Bill (SB) 1020 (Chapter 40, Statutes of 2012) established the Support Services Account by revising the provisions of Assembly Bill (AB) 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statues of 2011), which realigned state funding to the counties through the Local Revenue Fund 2011 (LRF) for the following programs: Adoption Assistance Program (AAP); Agency Adoptions Program; Foster Care (FC); Child Welfare Services (CWS); Child Abuse Prevention, Intervention and Treatment program and Adult Protective Services (APS). Specified tax revenues are redirected to the counties on an ongoing basis to the LRF Support Services Subaccount, Protective Services Subaccount.

The LRF was created in the State Treasury to receive all revenues, less refunds, derived from the taxes described in Government Code sections 6051.15 and 6201.15; revenues may be allocated to the fund pursuant to Revenue and Taxation Code sections 11001.5 and 11005 as well as other moneys that may be specifically appropriated to the fund.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

The base year for the 2011 Realignment funding is Fiscal Year (FY) 2011-12.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1020, AB 118 and ABX1 16.
- The LRF funding is solely for specified realigned programs.
- The LRF for the children's and adult programs mentioned above, representing the state revenues that shifted to the counties under realignment, is displayed in the "2011 Realigned" lines in the Detail Tables in this binder. The federal, county and reimbursement funding shares are shown in the corresponding "Cash Payments" or "Program Cost" table lines.
- The LRF value has been held at the 2011 Realignment base from FY 2011-12, while the federal, county and reimbursement funding reflect updated assumptions.
- The Expenditures section below displays the LRF, county and federal funding shares and the break-out of the federal share by federal fund type.

<u>Children's Programs</u>

- The 56 non-Title IV-E Waiver county estimates assume 68 percent and 67 percent of costs are federally eligible in FY 2012-13 and FY 2013-14, respectively.
- The 58 county estimates assume 67 percent and 66 percent of costs are federally eligible in FY 2012-13 and FY 2013-14, respectively.
- The federal funding share is referred to as federal financial participation (FFP), and is calculated by applying the following Federal Medical Assistance Percentage (FMAP) rates to total federally eligible costs. The FMAP is 50 percent for both assistance and administrative expenditures and 75 percent for training expenditures.

Realigned Programs

KEY DATA/ASSUMPTIONS (CONTINUED):

Adult Programs

- The FFP is based on a 50 percent FMAP.

METHODOLOGY:

The program expenditures were developed using the methodology established prior to the 2011 Realignment.

FUNDING:

Federal, county and reimbursement shares of costs/savings have been determined using the same funding ratios applied prior to the 2011 Realignment.

The LRF level is held to the 2011 Realignment base for FY 2011-12.

Children's Programs

Federal funds include Title IV-B, Title IV-E, Title XIX, Title XX of the Social Security Act and Temporary Assistance for Needy Families. The FFP is 50 percent for both assistance and administrative expenditures and 75 percent for training expenditures.

Adult Programs

Federal funds are solely Title XIX. The FFP is based on a 75 percent enhanced FMAP for health-related activities performed by skilled professional medical personnel (SPMP) and a 50 percent FMAP for health-related activities performed by non-SPMP.

CHANGE FROM PRIOR SUBVENTION:

- Item 101 FC – The FY 2012-13 and FY 2013-14 federal and county net decrease results from an increase in the Foster Family Home basic cost, offset by decreases to the Group Home, Foster Family Agency and Federal Kinship Guardianship Assistance Payment (Fed-GAP) basic cost.
- Item 101 AAP –The FY 2012-13 and FY 2013-14 federal and county decreases result from a slight decrease in the AAP caseload.
- Item 141 FC –The FY 2012-13 net decrease reflects decreased attorney fees for FC court cases. The FY 2013-14 net increase reflects increases in FC administrative costs.
- Item 151 CWS – There is no change in FY 2012-13. The FY 2013-14 net decrease reflects updated actual expenditures for the CWS Basic and updated percent of federally eligible costs.
- Item 151 – Adoptions – There is no change for FY 2012-13. The FY 2013-14 net increase reflects updated actual expenditures.
- Item 151 – Office of Child Abuse Prevention (OCAP) – There is no change.

Realigned Programs

CHANGE FROM PRIOR SUBVENTION (CONTINUED):

- Item 151 APS – The Title XIX reimbursements and county shares were updated to reflect actual expenditures.
- Item 153 Title IV-E Waiver – There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

- Item 101 FC – The federal and county net decrease reflects an overall projected decrease in the FC caseload.
- Item 101 AAP – The federal and county net increase reflects a projected increase in the AAP caseload as well as the additional cost-of-living adjustment in FY 2013-14.
- Item 141 FC –The net increase reflects an increase in the administrative cost for the After 18 Program and the Fed-GAP program.
- Item 151 CWS – The net decrease reflects updated actual expenditures for the CWS basic, partially offset by increased costs for the After 18 program.
- Item 151 Adoptions – The net increase reflects updated actual expenditures.
- Item 151 OCAP – There is no change.
- Item 151 APS – There is no change.
- Item 153 Title IV-E Waiver – The net increase reflects the inclusion of the Title IV-E Waiver adjustment.

Realigned Programs

EXPENDITURES:
(in 000s)

FY 2012-13	**Total**	**Title IV-E**	**Title IV-B**	**Title XIX**	**Title XX**	**TANF**	**LRF**	**County**
Total Funding	$5,200,536	$1,603,534	$31,133	$208,272	$217,241	$304,989	$1,640,466	$1,194,901
Item 101 – FC Grant	983,074	258,456	0	0	30,303	46,673	242,386	405,256
AB 12 Additional Base Funding FY 2012-13*	18,186	0	0	0	0	0	18,186	0
AB 12 Additional Base Funding FY 2013-14*	0	0	0	0	0	0	0	0
Item 101 – AAP Grant	900,833	383,470	0	0	0	0	381,791	135,572
Item 141 – FC Administration	56,987	27,620	0	0	0	0	24,962	4,405
Item 151 – CWS Administration	1,599,234	341,176	31,133	120,481	186,938	258,316	476,451	184,739
Item 151 – Adoptions Administration	119,204	54,409	0	0	0	0	64,366	429
State Operations Agency Adoptions**	6,039	0	0	0	0	0	6,039	0
Item 151 – OCAP Administration	13,395	0	0	0	0	0	13,395	0
Item 151 – APS Administration	211,818	0	0	87,791	0	0	55,042	68,985
Item 153 – Title IV- E Waiver	1,291,766	538,403	0	0	0	0	357,848	395,515

* SB 1020 increased the Protective Services Subaccount funding base for AB 12 (After 18 Program) by $53.9 million over three FYs; for additional information, please refer to County Fiscal Letter (CFL) 12-13-16. The additional base funding is reflected as a non-add line in the Detail Tables but included in the 2011 Realignment total and therefore, displayed here for reference only.
** State Operations Agency Adoptions cost are not included in the California Department of Social Services (CDSS) Local Assistance budget, but are included in the 2011 Realignment total and therefore, displayed here for reference only.

Realigned Programs

EXPENDITURES (CONTINUED):
(in 000s)

FY 2013-14	Total	Title IV-E	Title IV-B	Title XIX	Title XX	TANF	LRF	County
Total Funding	$5,230,671	$1,618,437	$31,013	$204,332	$217,241	$305,220	$1,660,834	$1,193,594
Item 101 – FC Grant	970,485	254,488	0	0	30,303	46,673	242,386	396,635
AB 12 Additional Base Funding FY 2012-13*	18,186	0	0	0	0	0	18,186	0
AB 12 Additional Base Funding FY 2013-14*	20,368	0	0	0	0	0	20,368	0
Item 101 – AAP Grant	922,941	400,558	0	0	0	0	381,791	140,592
Item 141 – FC Administration	59,257	29,838	0	0	0	0	24,962	4,457
Item 151 – CWS Administration	1,586,101	329,630	31,013	116,541	186,938	258,547	476,451	186,981
Item 151 – Adoptions Administration	120,967	56,172	0	0	0	0	64,366	429
State Operations Agency Adoptions**	6,039	0	0	0	0	0	6,039	0
Item 151 – OCAP Administration	13,395	0	0	0	0	0	13,395	0
Item 151 – APS Administration	211,818	0	0	87,791	0	0	55,042	68,985
Item 153 – Title IV- E Waiver	1,301,114	547,751	0	0	0	0	357,848	395,515

* SB 1020 increased the Protective Services Subaccount funding base for AB 12 (After 18 Program) by $53.9 million over three FYs; for additional information, please refer to CFL 12-13-16. The additional base funding is reflected as a non-add line in the Detail Tables but included in the 2011 Realignment total and therefore, displayed here for reference only.

** State Operations Agency Adoptions cost are not included in the CDSS Local Assistance budget, but are included in the 2011 Realignment total and therefore, displayed here for reference only.

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Tribal-State Title IV-E Agreements

DESCRIPTION:

This premise reflects the costs to provide start-up funding for three years when a tribe seeks to implement its own Child Welfare Services (CWS) program. The federal Social Security Act, Indian Child Welfare Act (ICWA) and the California Welfare and Institutions Code (W&IC) sections 10553.1 and 10553.2 allow states to enter into agreements to pass through federal Title IV-E funds for Foster Care (FC) maintenance and administration to tribes. Tribal-State Agreements are essential to allow the pass-through of Title IV-E funds to the tribes to provide FC services to tribal children.

IMPLEMENTATION DATE:

The Karuk Tribe implemented on July 1, 2010, and the Yurok Tribe will implement on October 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Federal Social Security Act, ICWA and W&IC sections 10553.1 and 10553.2.
- The average monthly statewide Foster Family Home (FFH) federal grant is $880.89 for Fiscal Year (FY) 2012-13 and $904.23 for FY 2013-14. The Group Home (GH) federal grant is $7,379.68 for FY 2012-13 and $7,575.24 for FY 2013-14. The Adoption Assistance Program (AAP) federal grant is $911.20 for FY 2012-13 and $935.35 for FY 2013-14. The grants are based on statewide actual expenditures through June 2012. The FFH, GH and AAP federal grants include a California Necessities Index adjustment of 2.98 percent for FY 2012-13 and 2.65 percent for FY 2013-14.
- The impact of the *California Foster Parent Association v. William Lightbourne et al.* court decision that increases the FFH basic rate is displayed in the Tribal-State Title IV-E Basic Cost.
- Based on information from the Karuk Tribe, the FY 2012-13 and FY 2013-14 average monthly FFH caseload is projected at five cases, the average monthly GH caseload is projected at zero cases and the average monthly AAP caseload is projected at one case.
- Based on information from the Yurok Tribe, the FY 2012-13 average monthly FFH, GH and AAP caseloads are projected at zero cases. For FY 2013-14, the average monthly FFH caseload is projected at 12 cases and the average monthly GH and AAP caseload is projected at zero cases.
- The amount of federal financial participation (FFP) is based on an enhanced Tribal Federal Medical Assistance Percentage (FMAP) of 83 percent, effective July 1, 2012, for assistance, the rate of 50 percent for administrative expenditures and 75 percent for training for those cases and programs meeting eligibility criteria.
- Based on information from the Karuk Tribe, the annual cost of an eligibility worker is estimated at $70,000. Based on information from the Yurok Tribe, the annual cost of an eligibility worker is estimated at $50,000.

Tribal-State Title IV-E Agreements

KEY DATA/ASSUMPTIONS (CONTINUED)

- The administration of FC eligibility requires one eligibility worker annually for the Karuk Tribe and two eligibility workers for the Yurok Tribe.

METHODOLOGY:

The estimate is based on cost and caseload information from the Karuk and Yurok Tribes. The basic assistance estimate is the product of casemonths and average grants.

FUNDING:

- Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the Tribal FMAP for assistance, the rate of 50 percent for administrative expenditures and 75 percent for training for those cases and programs meeting eligibility criteria.
- Item 101 – FC Assistance – Funding for the remaining federal and nonfederal costs is shared 40 percent General Fund (GF) and 60 percent tribe.
- Item 101 – AAP Assistance – Funding for the remaining federal and nonfederal costs is shared 75 percent GF and 25 percent tribe.
- Item 141 – FC and AAP Administration – Funding for the remaining federal and nonfederal costs is shared 70 percent GF and 30 percent tribe.
- Item 151 – CWS Administration – For Basic Staffing, Adam Walsh, Grievance Reviews, Multiple Relative Home Approvals, Relative Home Approvals and Child Relationships, the remaining federal and nonfederal costs is shared 70 percent GF and 30 percent tribe. For Background Checks, Live Scan Machines, Caregiver Court Filings, Criminal Records Check and Foster Parent Training and Recruitment, the remaining federal and nonfederal costs are 100 percent GF. The Basic Direct costs do not have a federal share and are split 70 percent GF and 30 percent tribe.
- Item 151 – Adoptions Administration – The sharing ratio for FY 2012-13 is 41.43 percent federal and 58.57 percent nonfederal. The sharing ratio for FY 2013-14 is 41.27 percent federal and 58.73 percent nonfederal. The nonfederal share is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

Item 101 – FC – There is no change.

Item 101 – AAP – There is no change.

Item 141 – FC Administration – There is no change.

Item 151 – CWS Administration – There is no change in FY 2012-13. The FY 2013-14 increase reflects updated direct percentages.

Item 151 – Adoptions – There is no change.

Tribal-State Title IV-E Agreements

REASON FOR YEAR-TO-YEAR CHANGE:

Item 101 – FC – The increase reflects the implementation of the Yurok Tribe in FY 2012-13.

Item 101 – AAP – There is no change.

Item 141 – FC Administration – The decrease reflects a delay in implementation of the Yurok Tribe.

Item 151 – CWS Administration – The net decrease reflects the delay of implementation offset by Live Scan machine funding for the Yurok Tribe and funding for ongoing maintenance of the Karuk Tribe's Live Scan machine.

Item 151 – Adoptions – There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Tribal-State IV-E Agreements	**Total**	**Federal**	**State**	**County**	**Reimb.**
Item 101 – FC Grants	$53	$44	$4	$5	$0
Item 101 – AAP Grants	10	9	1	0	0
Item 141 – FC Administration	154	77	54	23	0
Item 151 – CWS Administration	202	89	82	31	0
Item 151 – Adoptions Administration	72	30	42	0	0

FY 2013-14

Tribal-State IV-E Agreements	**Total**	**Federal**	**State**	**County**	**Reimb.**
Item 101 – FC Grants	$151	$126	$10	$15	$0
Item 101 – AAP Grants	10	9	1	0	0
Item 141 – FC Administration	146	73	51	22	0
Item 151 – CWS Administration	191	86	76	29	0
Item 151 – Adoptions Administration	72	30	42	0	0

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Refugee Programs

DESCRIPTION:

This premise reflects the costs associated with the Refugee Resettlement Program.

The Refugee Cash Assistance (RCA) program includes cash grants that are provided to refugees during their first eight months in the United States (US) if they are not otherwise eligible for other categorical welfare programs. Administrative costs necessary to perform the administrative function for the RCA program are also included in this premise. These include salaries and benefits of eligibility workers and first line supervisors who determine eligibility and provide ongoing case management for the RCA program. Overhead and direct costs are also included in the RCA administrative costs.

In addition to the RCA Basic and RCA Administration premise lines, this methodology also includes any updated assumptions for funding for the following unchanged premise items: Refugee Social Services (RSS), Targeted Assistance (TA) and Refugee School Impact Grant (RSIG). Detailed descriptions of these unchanged premises can be found in the 2012 May Revision, Estimate Methodologies section.

The impacts of the federal sequestration reductions are reflected in the Federal Sequestration Reduction premise.

KEY DATA/ASSUMPTIONS:

Below are the authorizing statute and the implementation date for the premises, RCA – Administration, RCA – Basic, RSS, TA and RSIG.

- Authorizing statute: Title VIII of the United States Code (USC) section 1522 authorizes the federal government to provide grants to states to assist refugees who resettle in the US Welfare and Institutions Code sections 13275 through 13282 authorize the California Department of Social Services (CDSS) to administer the funds provided under Title VIII of the USC. It also provides CDSS authority to allocate the federal RSS and TA funds to the counties.
- The RCA premises implemented on March 17, 1980.

RCA - Administration

- Based on data from January 2010 to December 2010, the average monthly administrative cost per RCA case is approximately $99.13. This estimate is based on calendar year 2010 since this period best reflects what is projected for Federal Fiscal Year (FFY) 2013.
- The average monthly caseload is estimated at 2,321 cases for Fiscal Year (FY) 2012-13 and FY 2013-14.

RCA – Basic

- Based on actual expenditures from January 2010 to December 2010 and factoring in an eight percent grant reduction, which became effective July 1, 2011, the average monthly grant cost for RCA recipients is $265.00.
- The average monthly caseload is estimated at 2,321 cases for FY 2012-13 and FY 2013-14.

RSS

- This premise implemented on October 1, 1981.

Refugee Programs

KEY DATA/ASSUMPTIONS (CONTINUED):

- The federal grant includes $7.8 million in standard funds.
- Of the $7.8 million in standard funds, $1.2 million was distributed to qualifying refugees through the Wilson/Fish Alternative Project.
- A contract for $7.9 million in FY 2012-13 and for $8.6 million in FY 2013-14 to serve Unaccompanied Refugee Minors (URM) is included in the total funding.

TA

- This premise implemented on October 1, 1983.
- Due to potential budget shortfalls at the federal level, Office of Refugee Resettlement will award TA funding in two increments in FFY 2012-13.
- The TA program was granted $4.5 million in total for FY 2012-13. Of this amount, $0.8 million was distributed to qualifying refugees through the Wilson/Fish Alternative Project.
- The TA Discretionary (TAD) Grant that was awarded for FFY 2012 for $350,000 is included in the total amount. This grant represents the second year of a two-year project period.
- The FY 2012-13 and FY 2013-14 allocations also include $175,000 in discretionary funding to serve elderly refugees. This grant is available for a three-year project period with funding for subsequent years contingent upon the availability of federal funds and the project's progress.

RSIG

- This premise implemented on August 15, 2005.
- A federal grant provides $1.0 million per year to serve school-age refugee children and their families. This funding has been granted for FY 2012-13 and FY 2013-14 for a two-year grant cycle.
- The grant includes $60,000 in administrative money for state support costs.

METHODOLOGY:

RCA - Administration

- The average cost per case for RCA administration is multiplied by the estimated annual caseload for each FY to arrive at the total cost.

RCA - Basic

- The RCA average grant is multiplied by the estimated annual caseload for each FY to arrive at the total cost.

RSS

- The funding is based on the sum of the standard federal grant award for RSS (less the portion of the Wilson/Fish allocation) and the URM contracts.

Refugee Programs

METHODOLOGY (CONTINUED):

TA

- The funding is based on the sum of federal grants for the TA program (less the portion of the Wilson/Fish allocation), TAD, and discretionary funding to serve elderly refugees.

RSIG

- The funding is based on a federal award.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

RCA Basic and Administration: There is no change.

RSS: The increase is due to the increase in the number of minors in the URM program.

TA and RSIG: There is no change.

EXPENDITURES:

(in 000s)

		FY 2012-13			
Item 101 – RCA Basic	**Total**	**Federal**	**State**	**County**	**Reimb.**
RCA – Basic Cost	$7,381	$7,381	$0	$0	$0
Item 141 – RCA Administration					
RCA - Administration	2,761	2,761	0	0	0
Item 151 – Special Programs					
RSS	14,486	14,486	0	0	0
TA	4,227	4,227	0	0	0
RSIG	1,000	1,000	0	0	0

Refugee Programs

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2013-14				
Item 101 – RCA Basic	**Total**	**Federal**	**State**	**County**	**Reimb.**
RCA – Basic Cost	$7,381	$7,381	$0	$0	$0
Item 141 – RCA Administration					
RCA - Administration	2,761	2,761	0	0	0
Item 151 – Special Programs					
RSS	15,093	15,093	0	0	0
TA	4,227	4,227	0	0	0
RSIG	1,000	1,000	0	0	0

Federal Sequestration Reduction

DESCRIPTION:

This premise reflects the federal across-the-board reductions to specific federal grants. Section 251 A of the Balanced Budget and Emergency Deficit Control Act (BBEDCA), as amended on March 1, 2013, required the President to issue a sequestration order canceling $85 billion in budgetary resources across the Federal Government for the remainder of Federal Fiscal Year 2013. The order results in a reduction to several California Department of Social Services (CDSS) federal grants as follows: the Refugee Cash Assistance (RCA) program grant, The Emergency Food Assistance Program (TEFAP) grant, Chafee Education and Training Vouchers (ETV) grant, Child Welfare Services (CWS) Title IV-B grant, Promoting Safe and Stable Families (PSSF) grant, Title XX grant funds - transferred to the Department of Developmental Services (DDS), Title XX grant funds used for the Deaf Access and the Refugees program grant.

IMPLEMENTATION DATE:

This premise implemented on March 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The 2011 Budget Control Act (Public Law 112-25).
- This premise is reflected as non-add lines in the tables.

<u>Item 101 – RCA – Basic and TEFAP</u>

- The RCA basic grant will be reduced by $282,000 and $592,000 in Fiscal Year (FY) 2012-13 and FY 2013-14, respectively.
- The TEFAP grant will be reduced by $331,000 and $584,000 in FY 2012-13 and FY 2013-14, respectively.

<u>Item 141 – RCA Administration</u>

- The RCA administration grant funds will be reduced by $106,000 and $222,000 in FY 2012-13 and FY 2013-14, respectively.

<u>Item 151 – CWS and Special Programs</u>

- The Chafee ETV grant will be reduced by $233,000 and $508,000 in FY 2012-13 and FY 2013-14, respectively.
- The CWS Title IV-B grant will be reduced by $1,186,000 and $2,489,000 in FY 2012-13 and FY 2013-14, respectively.
- The PSSF grant will be reduced by $1,323,000 and $2,776,000 in FY 2012-13 and FY 2013-14, respectively.
- The social services Title XX block grant will reduce the transfer of Title XX to DDS by $3,482,000 and $11,869,000 in FY 2012-13 and FY 2013-14, respectively and the Deaf Access program by $319,000 in FY 2013-14.
- The Refugee services grants will be reduced by $304,000 and $1,286,000 in FY 2012-13 and FY 2013-14, respectively.

Federal Sequestration Reduction

METHODOLOGY:

The federal reductions are the result of the BBEDCA.

FUNDING:

The reduction is 100 percent federal funds.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The reductions reflect a full-year impact.

EXPENDITURES:

(in 000s)

FY 2012-13

Federal Sequestration Reduction	**Total**	**Federal**	**State**	**County**	**Reimb.**
Item 101 – RCA Basic	-$282	-$282	$0	$0	$0
Item 101 – TEFAP	-331	-331	0	0	0
Item 141 – RCA Administration	-106	-106	0	0	0
Item 151 – CWS	-6,224	-6,224	0	0	0
Item 151 – Deaf Access	0	0	0	0	0
Item 151 – Refugee Programs	-304	-304	0	0	0

FY 2013-14

Federal Sequestration Reduction	**Total**	**Federal**	**State**	**County**	**Reimb.**
Item 101 – RCA Basic	-$592	-$592	$0	$0	$0
Item 101 – TEFAP	-584	-584	0	0	0
Item 141 – RCA Administration	-222	-222	0	0	0
Item 151 – CWS	-17,642	-17,642	0	0	0
Item 151 – Deaf Access	-319	-319	0	0	0
Item 151 – Refugee Programs	-1,286	-1,286	0	0	0

Trafficking and Crime Victims Assistance Program

DESCRIPTION:

This premise represents the costs associated with extending social services and benefits to noncitizen victims of human trafficking, domestic violence, and other serious crimes through the Trafficking and Crimes Victims Assistance Program (TCVAP). Pursuant to provisions contained in Senate Bill 1569 (Chapter 672, Statutes of 2006), these individuals are eligible for state-funded services and benefits to the same extent as persons who are eligible under the federal Refugee Act of 1980. The state-funded program services and benefits provided include cash and medical assistance for up to eight months, Employment Services, food assistance through the California Food Assistance Program (CFAP), In-Home Supportive Services (IHSS), Cash Assistance Program for Immigrants (CAPI) and Healthy Families program benefits.

Noncitizen trafficking and crime victims who have children and are eligible for the California Work Opportunities and Responsibility to Kids (CalWORKs) program will receive assistance through a state-funded CalWORKs grant. Eligible noncitizen trafficking and crime victims who do not have children will receive assistance through a state-funded TCVAP Cash Assistance grant.

The TCVAP requires victims of human trafficking to file for a T visa with the appropriate federal agency, to prepare to file an application for federal status or to show evidence that they are taking steps to meet the conditions for federal benefits eligibility to qualify for state public social services. In order to remain eligible for benefits and services, victims of trafficking must show evidence that they have applied for the T visa within one year from the date of application for state public social services. Victims of domestic violence and other serious crimes must have filed a formal application for or have received a U visa to qualify for TCVAP benefits.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2007.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18945.
- According to county survey data from August 2012, the California Department of Social Services (CDSS) is currently serving 2,626 TCVAP recipients per month in the state-funded CalWORKs program and 146 recipients per month through the TCVAP Cash Assistance program.
- Approximately 91.4 percent of CalWORKs cases also receive food assistance. Applying this ratio to the TCVAP monthly caseload yields 2,489 CFAP cases per month.

<u>TCVAP CalWORKs:</u>

- The funding for TCVAP services is held to the 2012 November Estimate.
- The TCVAP CalWORKs recipients are subject to the same Welfare-to-Work (WTW) requirements and exemptions as other participants, except those recipients who do not have authorization to work are not required to participate in job search.
- The cost to add an adult to a TCVAP CalWORKs assistance unit is $122.00.

Trafficking and Crime Victims Assistance Program

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that most TCVAP recipients do not have work authorization, and therefore will not receive earned income to offset their monthly grant. Services and child care are provided, as needed, for recipients participating in qualifying activities. The estimated TCVAP CalWORKs caseload for both Fiscal Year (FY) 2012-13 and FY 2013-14 is 2,626.
- All grant, services and administrative costs for TCVAP CalWORKs program recipients mirror the services and administrative costs for other CalWORKs program recipients.
- It is assumed there are 1.6 children per case and that 15.78 percent of the cases in FY 2013-14 are required to participate in WTW activities utilize child care services.
- The child care cost per case (CPC) is $770.95 in FY 2013-14.
- The average number of children who will receive services per month is 663 in FY 2013-14.
- This estimate assumes utilization rates and costs per case for CalWORKs transportation and ancillary services are based on actual CalWORKs data from January 2012 – December 2012 (transportation utilization rate is 53.41 percent and $76.69 CPC; ancillary utilization rate is 11.67 percent and $78.18 CPC.)
- The estimate assumes a case management utilization rate of 41.2 percent and $206.00 CPC.

TCVAP Cash Assistance:

- All services and administrative costs for TCVAP Cash Assistance recipients mirror the services and administrative costs for Refugee Cash Assistance (RCA) program recipients (for more information on the caseload and CPC assumptions, see the RCA premise).
- The estimated monthly caseload of TCVAP Cash Assistance cases is 97.
- The average TCVAP Cash Assistance monthly grant is $265.00.
- The administrative CPC for a TCVAP Cash Assistance case is $99.13.
- The average monthly CPC of TCVAP Employment Services was calculated by dividing the Federal Fiscal Year (FFY) 2012 Refugee Social Services block grant ($8.7 million) by the FFY 2012 RCA total caseload (18,652) divided by 12 months, which equals $39.09 per case.

TCVAP CFAP:

- The average monthly number of TCVAP CFAP recipients is the total monthly number of TCVAP CalWORKs and Cash Assistance program recipients combined (2,723) multiplied by the CalWORKs utilization rate for food assistance (91.4 percent), which equals 2,489 monthly CFAP cases and 89 cases requiring CFAP admin funding (97 x 91.4 percent).
- The average coupon value per person is $128.65 in FY 2012-13 and $125.18 in FY 2013-14. The average coupon value per person is slightly lower in FY 2013-14 due to the expiration of American Recovery and Reinvestment Act of 2009 (ARRA) on November 1, 2013.
- The administrative costs for CFAP are $25.01 per case per month.

Trafficking and Crime Victims Assistance Program

KEY DATA/ASSUMPTIONS (CONTINUED):

TCVAP CAPI:

- There are currently no TCVAP recipients reported in CAPI.

TCVAP IHSS:

- There are currently no TCVAP recipients reported in IHSS.

METHODOLOGY:

TCVAP CalWORKs:

- Grant costs are calculated by multiplying the average monthly number of cases by the cost to add an adult to a case by 12 months (2,626 x $122 x 12).
- Employment services costs include case management, transportation and ancillary costs. These are calculated by multiplying the average monthly number of cases utilizing the service by the CPC by 12 months (Example: Transportation: 2,626 x 0.5341 x $76.69 x 12).
- Child care costs are calculated by multiplying the average monthly number of children by the cost per child by 12 months (2,626 x 0.1578 x 1.6 x $770.95 x 12).

TCVAP Cash Assistance:

- Grant costs are calculated by multiplying the average monthly number of cases by the CPC by 12 months (97 x $265.00 x 12).
- Administrative costs are calculated by multiplying the average monthly number of cases by the administrative CPC by 12 months (97 x $99.13 x 12).
- Employment Services costs are calculated by multiplying the average monthly number of cases by the services CPC by 12 months (97 x $39.09 x 12).

TCVAP CFAP:

- Coupon costs are calculated by multiplying the average monthly coupon benefit per person by the projected monthly number of CFAP recipients by 12 months (2,489 x $128.65 x 12).
- On-going quarterly administrative costs are calculated by multiplying the average monthly number of non-TCVAP CalWORKs cases by the average monthly CPC by 12 months (89 x $25.01 x 12).

FUNDING:

The TCVAP CalWORKs grants are funded with 97.5 percent General Fund (GF) and 2.5 percent county.

The TCVAP CalWORKs Employment Services, Administrative Services, Child Care, TCVAP Cash Assistance, Employment Services, IHSS, CAPI and CFAP are funded with 100 percent GF.

Under Title 45 of the Code of Federal Regulations Part 263.2(b), these cases are not Maintenance of Effort eligible.

Trafficking and Crime Victims Assistance Program

CHANGE FROM PRIOR SUBVENTION:

TCVAP grants: The increase in FY 2012-13 and FY 2013-14 is primarily due to more TCVAP clients receiving CFAP benefits, but the increase in FY 2013-14 is offset by the expiration of ARRA enhanced benefits, which results in a lower benefit amount.

TCVAP services: There is no change.

TCVAP administration: There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

TCVAP grants: The decrease is mainly due to the expiration of ARRA enhanced benefits on November 1, 2013.

TCVAP services: The increase is primarily due to the increase in the child care CPC.

TCVAP administration: There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - TCVAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Grants	$7,996	$0	$7,796	$200	$0
Services	10,424	0	10,424	0	0
Administration	142	0	142	0	0

FY 2013-14

Item 101 - TCVAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
Grants	$7,894	$0	$7,697	$197	$0
Services	10,433	0	10,433	0	0
Administration	142	0	142	0	0

Low-Income Home Energy Assistance Program (LIHEAP)

DESCRIPTION:

This premise reflects increased costs to CalFresh (CF) and the California Food Assistance Program (CFAP) as a result of providing a utility outreach service benefit to CF recipients in accordance with Assembly Bill (AB) 6 (Chapter 501, Statutes of 2011). The California Department of Social Services (CDSS) is working in conjunction with the Department of Community Services and Development (CSD) (the sole agency for the federal LIHEAP block grant) to implement the utility assistance initiative. This initiative grants eligible applicants and recipients of CF benefits a nominal LIHEAP service benefit funded from the federal LIHEAP block grant. To the extent permitted by federal law, CF households receiving or anticipating receipt of the LIHEAP service benefit are entitled to include the Standard Utility Assistance (SUA) when calculating CF benefits. As a result of receiving the SUA, some households will experience an increase in food benefits and some previously ineligible households will become eligible for CF or CFAP.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institution Code section 18901.2.
- It is assumed that a $0.10 annual LIHEAP benefit will be applied to all CF recipients.
- It is assumed that the LIHEAP benefit will be provided to recipients by CDSS with reimbursement funding received from the CSD.
- It is assumed that the LIHEAP benefit amounts will be delivered to CF households through the Electronic Benefit Transfer (EBT) system. All funds allocated but not expended for this program shall be reinvested into the program as determined by CSD and CDSS.
- The total average monthly CF caseload is projected to be 1,955,394 from January 2013 through June 2013, and 2,109,005 from July 2013 through June 2014.
- Based on data from January 2012 to December 2012 from the DFA 296 “Food Stamp Program Monthly Caseload Movement Statistical Report,” an average of 100,607 cases enter CF each month.
- The CF households receiving or anticipating the receipt of the nominal LIHEAP benefit are entitled to use the full SUA, regardless of whether the LIHEAP benefit is redeemed.
- Based on 2009 data from the California Food Policy Advocates, it is assumed that 15.4 percent of existing cases will see an increase in benefits as a result of receiving the SUA. This is the portion of cases that are not already receiving maximum benefits or the SUA, are not at the shelter cap and are not receiving any other shelter deductions.
- The estimated benefit of providing the SUA to all CF recipients is based on the Federal Fiscal Year 2013 SUA in the amount of $331.

Low-Income Home Energy Assistance Program (LIHEAP)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average increase in benefits to existing CF households due to the SUA is estimated to be $62.32 per month.
- A homeless shelter deduction (HSD) will automatically be applied to homeless CF and CFAP households if the eligibility system determines that the HSD will provide a higher benefit amount for the household than the SUA.
- The CF benefit is estimated to be $327.11 per month for newly eligible cases through October 2013, decreasing to $314.03 beginning November 1, 2013, as a result of the expiration of American Recovery and Reinvestment Act of 2009 (ARRA) enhanced benefits. Note that the President's Federal Fiscal Year 2014 budget calls for extending the ARRA enhanced benefits through March 31, 2014.
- It is assumed that $423,400 in automation costs to program the SUA for all CF recipients in Fiscal Year (FY) 2012-13 and $75,000 in FY 2013-14. In addition, adding the $0.10 LIHEAP benefit will result in an increase of $1.1 million for EBT transactions in FY 2012-13 and $1.7 million in FY 2013-14. These transaction costs are reflected in the EBT project premise.
- It is assumed that as a result of receiving the SUA, approximately 1,000 cases would become newly eligible for CF each month.
- It is assumed that these 1,000 newly eligible cases would have applied for food benefits were determined ineligible in the absence of LIHEAP. Therefore, there will be no additional in-take costs.
- It is assumed that the cost for an EW to process NACF and CFAP continuing cases is $39.33 per case on a quarterly or $13.11 per case on a monthly basis.
- Beginning October 1, 2013, it is assumed that the cost for an EW to process the newly eligible cases will be $9.73 on a monthly basis, as a result of implementation of semiannual reporting (SAR).
- It is assumed that 7.2 percent of the new cumulative caseload would require a mid-period change and that the administrative cost to process a mid-period report is $28.23.
- The impact to CFAP is assumed to be one percent of the corresponding Non-Assistance CF costs.

METHODOLOGY:

- The LIHEAP benefit is calculated by multiplying the $ 0.10 benefit by the total of existing CF caseload and new cases that enter CF in FY 2012-13 and FY 2013-14.
- The monthly administrative costs associated with processing mid-period changes for the new cases are calculated by multiplying the new cumulative cases by 7.2 percent and by $28.23.

Low-Income Home Energy Assistance Program (LIHEAP)

METHODOLOGY (CONTINUED):

- The quarterly administrative costs associated with processing quarterly reports are calculated by multiplying the new cumulative cases by $39.33 on a quarterly basis or $13.11 on a monthly basis and $9.37 on a monthly basis beginning October 1, 2013, as a result of the implementation of SAR.
- The CFAP benefits for existing households are calculated by multiplying the total CF caseload by 15.4 percent for cases that will receive the SUA as a result of this policy and then by the average monthly increase in benefits ($62.32). The increased cost in benefits is multiplied by six months of implementation for FY 2012-13 and 12 months for FY 2013-14 and then by one percent for the impact to CFAP.
- The CFAP benefit costs for new households are calculated by multiplying the CF benefit cost of $327.11 per month by the cumulative newly eligible cases in FY 2012-13 and FY 2013-14 and then by one percent.

FUNDING:

The CFAP benefit and administrative costs are funded 100 percent General Fund (GF). The CF administrative sharing ratio for administrative cost is 50 percent Food and Nutrition Service (FNS) fund and 50 percent GF. The CSD Benefits are 100 percent reimbursement. Automation is funded 50 percent FNS fund and 50 percent GF.

CHANGE FROM PRIOR SUBVENTION:

CFAP grant: The slight decrease in FY 2012-13 reflects an updated average grant amount, and the increase in FY 2013-14 reflects an updated projected caseload, slightly offset by the expiration of the ARRA enhanced benefits on November 1, 2013.

CSD benefit: The slight decrease in FY 2012-13 and the increase in FY 2013-14 reflect updated projected caseload.

CalFresh administration: There is no change in FY 2012-13. The decrease in FY 2013-14 is primarily due to the implementation of SAR on October 1, 2013, slightly offset by the increase in projected caseload.

LIHEAP automation: The increases in FY 2012-13 and FY 2013-14 reflect additional automation costs to allow homeless CF and CFAP households to use the HSD rather than the SUA.

REASON FOR YEAR-TO-YEAR CHANGE:

The increases in the CFAP grant, CSD benefit and CalFresh administration reflect a full year of implementation. The decrease in LIHEAP automation reflects the remaining costs related to the HSD option for the homeless population.

Low-Income Home Energy Assistance Program (LIHEAP)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 101 - CFAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
LIHEAP (AB 6) – CFAP Impact	$1,195	$0	$1,195	$0	$0
LIHEAP (AB 6) CSD Benefit	256	0	0	0	256
Item 141 – CalFresh Administration					
LIHEAP (AB 6) – CF Impact	200	100	100	0	0
Item 141 – Automation					
LIHEAP Automation	424	212	212	0	0

FY 2013-14

Item 101 - CFAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
LIHEAP (AB 6) – CFAP Impact	$2,904	$0	$2,904	$0	$0
LIHEAP (AB 6) CSD Benefit	332	0	0	0	332
Item 141 – CalFresh Administration					
LIHEAP (AB 6) – CF Impact	1,846	923	923	0	0
Item 141 – Automation					
LIHEAP Automation	75	37	38	0	0

Emergency Food Assistance Program (EFAP) Fund

DESCRIPTION:

This premise reflects expenditures from contributions designated on state income tax returns for EFAP. Assembly Bill 2366 (Chapter 818, Statutes of 1998) established an EFAP fund which, upon appropriation by the Legislature, is allocated to the Franchise Tax Board (FTB) and State Controller's Office (SCO) for reimbursement for their costs associated with administering the fund. The balance of the fund is directed to the California Department of Social Services for allocation to EFAP.

As a result of Senate Bill 1101 (Chapter 203, Statutes of 2008), this fund will be shown as the "Emergency Food for Families Fund" on future state income tax forms. The fund has a sunset date of January 1, 2014.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Revenue and Taxation Code sections 18851 through 18855.
- Funds available in Fiscal Year (FY) 2012-13 include the actual contributions made to the EFAP Fund from June 2011 through May 2012 of $589,000, unspent funds of $12,000 from prior years and interest earnings of $3,000.
- The FY 2013-14 reflects estimated contributions to the EFAP Fund from June 2012 through May 2013 of $623,000 and estimated interest of $3,000.
- The estimated annual administrative costs, including FTB, SCO and other miscellaneous charges, are $8,000 in both FY 2012-13 and FY 2013-14.
- These funds are provided to supplement, and not supplant, existing program funds.

METHODOLOGY:

The FY 2012-13 reflects the actual contribution to EFAP from June 2011 through May 2012, unspent funds from prior years and interest earnings in FY 2011-12, less the annual administrative costs to the fund. The FY 2013-14 reflects the estimated contributions to the EFAP Fund from June 2012 through May 2013, plus projected interest earned in FY 2012-13, less the annual administrative costs to the fund.

FUNDING:

This program is funded 100 percent EFAP Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

Emergency Food Assistance Program (EFAP) Fund

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2013-14 is due to a projected increase in taxpayer contributions.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – Food Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
EFAP	$596	$0	$596	$0	$0

FY 2013-14

Item 101 - Food Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
EFAP	$618	$0	$618	$0	$0

The Emergency Food Assistance Program (TEFAP)

DESCRIPTION:

This premise reflects the administrative funds for TEFAP. These are 100 percent federal funds, used to support the United States Department of Agriculture's Commodity Household Food Distribution Program. This premise reflects the move of TEFAP funds from state operations to the local assistance budget in order to expedite reimbursement and avoid delay in providing funds to food banks and California Foodlink.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- In Federal Fiscal Year (FFY) 2013, California will receive a federal grant of $10.1 million to fund TEFAP.
- It is assumed that California will also receive a federal grant of $10.1 million in FFY 2014.

METHODOLOGY:

The total FFY 2013 TEFAP grant amount for California is used in both Fiscal Year (FY) 2012-13 and FY 2013-14.

FUNDING:

This program is 100 percent federally funded.

CHANGE FROM PRIOR SUBVENTION:

The increases for FY 2012-13 and FY 2013-14 reflect final FFY 2013 funding levels.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

			FY 2012-13		
Item 101 – Food Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
TEFAP	$10,079	$10,079	$0	$0	$0

The Emergency Food Assistance Program (TEFAP)

EXPENDITURES (CONTINUED):

(in 000s)

	FY 2013-14				
Item 101 – Food Assistance	**Total**	**Federal**	**State**	**County**	**Reimb.**
TEFAP	$10,079	$10,079	$0	$0	$0

Work Incentive Nutritional Supplement (WINS)

DESCRIPTION:

This premise reflects implementation of a new program to promote self-sufficiency through work by providing additional support to eligible working families in the form of a supplemental CalFresh benefit. Working families who are receiving CalFresh, but not receiving California Work Opportunity and Responsibility to Kids (CalWORKs) assistance, may be eligible for the WINS benefit if they are working sufficient hours in paid employment to meet Temporary Assistance for Needy Families (TANF) work participation requirements. Each CalFresh household may be eligible for one $10 WINS benefit per month, which will be applied to the recipient's Electronic Benefit Transfer card. The benefit will not count as income in the CalFresh benefit determination and will not be subject to child support assignment. Recipients must provide documentation to verify paid work hours (i.e., pay stubs) to be eligible for the benefit. This benefit will be funded with state dollars countable toward Maintenance of Effort (MOE) in the TANF program, and families that receive the WINS benefit will be counted in the TANF work participation rate calculation.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes beginning April 2013 and program benefits beginning January 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 15525.
- This premise assumes the phase-in of WINS benefit issuance for Non-Assistance CalFresh (NACF) will begin January 1, 2014, with full implementation by July 1, 2014. Previously, WINS benefit issuance was scheduled to implement October 1, 2013; however, the Budget Act of 2012 adjusted the implementation date to January 1, 2014.
- Based on an analysis of earnings reported by current CalFresh recipients, it is assumed that 11.0 percent of the adjusted NACF caseload (approximately 1.6 million cases) will meet the TANF work participation requirements and be eligible for the WINS benefit.
- It is assumed that of the NACF cases eligible for the WINS benefit, approximately 80 percent will provide the necessary documentation that the household has met the federal work requirements. Of those cases, it is assumed that 80 percent will continue to meet the federal work requirements after their initial certification.
- Each WINS case will receive one $10 WINS benefit per month.
- It is assumed that an additional five minutes of administrative time will be required during application intake for WINS-eligible NACF cases to discuss the requirements of the WINS program.
- It is assumed that an additional ten minutes of administrative time will be required during ongoing eligibility determination for work verification and documentation requirements of WINS participants.
- The average NACF eligibility worker (EW) cost is $58.27 per hour.

Work Incentive Nutritional Supplement (WINS)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Because all WINS cases are CalFresh households, it is assumed that all other CalFresh ongoing administrative costs are already reflected in CalFresh administrative costs.
- Based on estimates from the Statewide Automated Welfare Systems consortia, automation costs will total approximately $0.3 million in Fiscal Year (FY) 2012-13 and approximately $3.6 million FY 2013-14.

METHODOLOGY:

- During the initial six months of implementation (January 2014 through June 2014), approximately 178,000 cases will be eligible for the WINS program, resulting in an additional five minutes ($4.86 per case) of intake administration cost.
- Of these eligible cases, approximately 142,000 will enroll in the WINS program (approximately 23,700 each month), resulting in ongoing costs of an additional ten minutes per semiannual period ($9.72 per case). These costs will compound each month as the WINS caseload increases.
- Cases that enroll in the WINS program will each result in a monthly $10 WINS benefit cost. Total benefit costs will compound each month as the WINS caseload increases.

FUNDING:

The WINS benefit and administration costs are funded with General Fund countable toward the MOE in the TANF program. The funding for automation is 100 percent TANF funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The decrease in WINS benefits costs in FY 2013-14 is due to an adjustment to the average hourly wage assumption used to calculate CalFresh recipients' work hours from their earnings and thus estimate the eligible caseload of cases meeting work participation requirements. The increase in WINS administrative costs in FY 2013-14 is due to a new assumption of an additional five minutes of administrative time assumed for ongoing WINS cases for work verification. The increase in automation costs in FY 2013-14 is due to updated automation estimates from the consortia.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in WINS benefit and administrative costs is due to the implementation of the WINS program in FY 2013-14. The increase in automation costs is due to a full year of automation changes in FY 2013-14.

Work Incentive Nutritional Supplement (WINS)

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – Other Assistance Payments	**Total**	**Federal**	**State**	**County**	**Reimb.**
WINS - Benefits	$0	$0	$0	$0	$0
WINS - Administration	0	0	0	0	0
WINS - CFAP Benefits	0	0	0	0	0
WINS - CFAP Administration	0	0	0	0	0
Item 141 – Automation					
WINS Automation	316	316	0	0	0

FY 2013-14

Item 101 – Other Assistance Payments	**Total**	**Federal**	**State**	**County**	**Reimb.**
WINS - Benefits	$4,973	$0	$4,973	$0	$0
WINS - Administration	1,669	0	1,669	0	0
WINS - CFAP Benefits	50	0	50	0	0
WINS - CFAP Administration	17	0	17	0	0
Item 141 – Automation					
WINS Automation	3,591	3,591	0	0	0

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California Food Assistance Program (CFAP)

DESCRIPTION:

This premise reflects the benefit and administrative costs associated with CFAP for eligible noncitizens. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, provided that legal noncitizens who entered the United States (U.S.) on or after August 22, 1996, were ineligible for federal CalFresh benefits unless they were exempt under certain refugee categories. Federal CalFresh benefits for the ineligible legal noncitizens were terminated in August 1997. The CFAP serves legal noncitizens over the age of 18 and under the age of 65 who were legally in the U.S. prior to August 22, 1996, and met all federal food stamp eligibility criteria except for their immigration status. The program also serves legal noncitizens who entered the country on or after August 22, 1996, who are otherwise eligible.

The Food Stamps Reauthorization Act of 2002 (House of Representatives [HR] 2646 Farm Bill) restored federal eligibility for food assistance to legal noncitizens who are disabled, effective October 2002; noncitizens who have been in the U.S. for five years or more, effective April 2003; and all noncitizen children, effective October 2003.

Annual benefit costs are reduced by costs for Prospective Budgeting as these costs are reflected in a separate premise.

IMPLEMENTATION DATE:

This premise originally implemented on September 1, 1997.

The HR 2646 Farm Bill implemented on October 1, 2002.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18930.
- It is assumed that the trend in the total number of CFAP recipients resembles the monthly fluctuations in the California Work Opportunity and Responsibility to Kids (CalWORKs) and Non-Assistance CalFresh (NACF) trend forecasts.
- The total number of CFAP recipients is projected by applying the CalWORKs and NACF trend forecast based on actual numbers of recipients through December 2012.
- The projected average monthly number of CFAP recipients is 40,655 for Fiscal Year (FY) 2012-13 and 44,042 for FY 2013-14.
- The projected average monthly number of CFAP households is 16,378 for FY 2012-13 and 17,717 for FY 2013-14.
- The average benefit value per person is $128.65 for FY 2012-13 and $125.22 in FY 2013-14. A four percent decrease is estimated as a result of expiration of American Recovery and Reinvestment Act of 2009 (ARRA) enhanced benefits on November 1, 2013, resulting in an average benefit amount of $123.51 starting on that date. Note that the President's Federal Fiscal Year 2014 budget calls for extending the ARRA enhanced benefits through March 31, 2014.

California Food Assistance Program (CFAP)

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that 2.26 percent of cases will have questions about the expiration of ARRA enhanced benefits and require an additional five minutes of administrative time. This will result in an additional administrative cost of approximately $39,000 in FY 2013-14.
- The processing fee charged by the Food and Nutrition Service (FNS) for Electronic Benefit Transfer is $314 per $1.0 million. The average monthly administrative cost per case is $25.01.
- The ratio between Public Assistance (PA) and Non-Assistance (NA) caseload is 14.28 percent PA and 85.72 percent NA for FY 2012-13 and 12.93 percent PA and 87.07 percent NA for FY 2013-14.
- The PA costs are considered eligible expenditures for the state's Maintenance-of-Effort (MOE) requirement. The NA costs are not considered MOE eligible.

METHODOLOGY:

- Coupon costs are calculated by multiplying the average coupon value per person by the projected average monthly number of recipients.
- Total coupon costs also include the processing fee charged by FNS, which is approximately $20,000 in FY 2012-13 and $21,000 in FY 2013-14.
- The cost for Prospective Budgeting is subtracted out of the total coupon costs as it is reflected in a separate premise. These costs are $2,080,731 in FY 2012-13 and $2,304,381 in FY 2013-14.
- Administrative costs are calculated by multiplying the average administrative cost per case by the projected monthly number of households.
- Total administrative costs include additional client contact due to the expiration of ARRA enhanced benefits.

FUNDING:

The expenditures are 100 percent General Fund. The PA portion of the costs is eligible to be counted towards the MOE requirement.

CHANGE FROM PRIOR SUBVENTION:

CFAP grants: The decrease in FY 2012-13 and FY 2013-14 is primarily due to lower projected caseload. The expiration of ARRA enhanced benefits on November 1, 2013 also contributes to the decrease in FY 2013-14.

CFAP admin: The decrease in FY 2012-13 and FY 2013-14 is due to lower projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

CFAP grants: The increase is due to the increase in projected caseload, slightly offset by the expiration of ARRA enhanced benefits on November 1, 2013.

California Food Assistance Program (CFAP)

REASON FOR YEAR-TO-YEAR CHANGE (CONTINUED):

CFAP admin: The increase is due to the increase in projected caseload as well as additional client contact due to the expiration of ARRA enhanced benefits.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 - CFAP	Total	Federal	State	County	Reimb.
CFAP Grants	$56,857	$0	$56,857	$0	$0
Item 141 - CFAP					
CFAP Administration	4,888	0	4,888	0	0

FY 2013-14

Item 101 - CFAP	Total	Federal	State	County	Reimb.
CFAP Grants	$60,136	$0	$60,136	$0	$0
Item 141 - CFAP					
CFAP Administration	5,330	0	5,330	0	0

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Face-to-Face Waiver

DESCRIPTION:

This premise streamlines the application process and improves the administrative efficiency of the CalFresh program by waiving the requirement for a face-to-face interview at application for all Non-Assistance CalFresh (NACF) households. California is authorized to waive the face-to-face intake interview through a federal waiver approved by the United States Department of Agriculture (USDA), Food and Nutrition Services (FNS). Beginning July 2012, the waiver of the face-to-face interview has been implemented statewide as part of the CalFresh ReFresh Modernization initiative. This waiver is expected to increase CalFresh participation in households where work is a barrier to applying for benefits.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- The face-to-face interview waiver is estimated to result in additional CalFresh households in which the single head of household and couples are working at least 20 hours per week.
- Based on the Federal Fiscal Year 2011 CalFresh Characteristics Survey Data (Q5), 94,440 single heads of household or couple-headed households were working at least 20 hours per week.
- It is assumed that the households eligible for this waiver are similar to the working poor population. Based on the state's 2010 CalFresh participation rates, 42 percent of working poor households participate in the CalFresh program compared to 55 percent of overall CalFresh-eligible households.
- It is assumed that removing the face-to-face waiver requirement would result in the working poor participating at a rate more consistent with the rest of the CalFresh population, thereby potentially increasing the CalFresh caseload by 29,232 cases.
- It is assumed that of the additional cases that would be eligible for the face-to-face waiver, 50 percent, or 14,616, would utilize the option and participate in CalFresh.
- It is assumed that the additional 14,616 cases that participate in CalFresh as a result of the face-to-face waiver represent 1.2 percent of the overall NACF caseload.
- The NACF caseload is projected to increase 11.6 percent in Fiscal Year (FY) 2012-13 and 10.8 percent in FY 2013-14.
- The additional cases will be phased in over the first 12 months for counties that have implemented the waiver, based on a survey of counties.
- It is assumed that 43 of the counties have reached full implementation by October 2011 and are now included in the caseload trend.
- Based on the caseload of the 15 counties that implemented the waiver in July 2012, it is estimated that approximately 2,190 new cases will be added to the caseload in FY 2012-13.

Face-to-Face Waiver

KEY DATA/ASSUMPTIONS (CONTINUED):

- It is assumed that the 15 counties will complete the 12-month phase-in period by the end of FY 2012-13, and the ongoing caseload will stay constant throughout FY 2013-14.
- After the 12-month phase-in period, a four percent attrition rate is assumed.
- Based on the coupon cost expenditures in calendar year 2012, the working NACF households are estimated to have an average CalFresh benefit amount of $329.43 through October 2013, decreasing to $316.26 beginning November 1, 2013, as a result of the expiration of American Recovery and Reinvestment Act of 2009 (ARRA) enhanced benefits. Note that the President's Federal Fiscal Year 2014 budget calls for extending the ARRA enhanced benefits through March 31, 2014.
- It is assumed that the intake cost for an Eligibility Worker (EW) to process new NACF and the California Food Assistance Program (CFAP) cases is $51.00 per case.
- It is assumed that the cost for an EW to process NACF and CFAP continuing cases is $39.33 per case on a quarterly basis or $13.11 per case on a monthly basis.
- Beginning October 1, 2013, it is assumed that the cost for an EW to process a NACF and CFAP case will be $9.73 on a monthly basis, as a result of the implementation of semiannual reporting (SAR).
- It is assumed that 7.2 percent of the new cumulative caseload would be subject to mid-period reporting. It is assumed that the administrative cost for an EW to process a mid-period report is $28.23.
- Based on historical CFAP and CalFresh caseloads, the impact to CFAP is approximately one percent of the CalFresh impact.
- The impact of any administrative efficiency resulting from this premise is assumed to mitigate the CalFresh ReFresh Modernization premise.

METHODOLOGY:

- The monthly administrative costs associated with processing the new cases are calculated by multiplying the new monthly cases in the counties that implemented the waiver by $51.00. After the phase-in period, it is estimated that approximately four percent of the caseload will leave monthly and four percent will enter monthly.
- The monthly administrative costs associated with processing the mid-period changes for the new cases are calculated by multiplying the new cumulative cases by 7.2 percent and by $28.23.
- The quarterly administrative costs associated with processing the quarterly reports are calculated by multiplying the new cumulative cases by $39.33 on a quarterly basis or $13.11 on a monthly basis and $9.37 on a monthly basis beginning October 1, 2013 as a result of the implementation of SAR.
- The CFAP coupon and administration costs associated with the new cases are calculated by multiplying the CalFresh coupon and administration cost by one percent.

Face-to-Face Waiver

FUNDING:

The CalFresh sharing ratio for the administrative cost is 50 percent FNS fund and 50 percent General Fund (GF). The CFAP funding is 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

CFAP Grants, CalFresh and CFAP Admin: The decrease in FY 2012-13 and FY 2013-14 is primarily due to the decrease in projected caseload. The implementation of SAR on October 1, 2013, also contributes to the decrease in FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

CalFresh and CFAP Admin: The increase reflects a full year of implementation, slightly offset by the decrease in projected caseload and the impact of SAR implementation on October 1, 2013.

CFAP Grants: The increase reflects a full year of implementation, slightly offset by the decrease in projected caseload and the impact of the expiration of ARRA enhanced benefits on November 1, 2013.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CFAP Grants	Total	Federal	State	County	Reimb.
Face-to-Face Waiver	$47	$0	$47	$0	$0
Item 141 – CalFresh Administration					
Face-to-Face Waiver	291	146	145	0	0
Item 141 – CFAP Administration					
Face-to-Face Waiver	3	0	3	0	0

FY 2013-14

Item 101 – CFAP Grants	Total	Federal	State	County	Reimb.
Face-to-Face Waiver	$84	$0	$84	$0	$0
Item 141 – CalFresh Administration					
Face-to-Face Waiver	385	193	192	0	0
Item 141 – CFAP Administration					
Face-to-Face Waiver	4	0	4	0	0

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Transitional CalFresh for Foster Youth (AB 719)

DESCRIPTION:

This premise reflects implementation of Transitional CalFresh (CF) for foster youth pursuant to the provisions of Assembly Bill (AB) 719 (Chapter 371, Statutes of 2009). AB 719 would allow, pending federal approval, adolescents who are aging out of Foster Care (FC) and are not receiving California Work Opportunity and Responsibility to Kids benefits or Supplemental Security Income (SSI) benefits to receive CF without regard to income or resources. The premise is being suspended as the California Department of Social Services (CDSS) has been unable to obtain federal approval.

Implementation is contingent on United States Department of Agriculture, Food and Nutrition Service (FNS) approval of a demonstration project proposal, which requires that CDSS demonstrate that the project is cost-neutral. The CDSS submitted a proposal on March 1, 2010. The FNS has informed CDSS that the only provision in the proposal that could be considered would waive student eligibility rules (prohibiting CalFresh participation for students between the ages of 18 and 49 who are enrolled at least half-time in an institution of higher education). Cost-neutrality mandates that no additional federal benefit dollars be expended for the targeted population. Since ineligible students do not currently receive any federal benefits, waiving the student eligibility rules would, by definition, make it impossible to achieve cost-neutrality.

The FNS has informed CDSS that the other provisions in CDSS' proposal are outside of FNS' demonstration project authority under section 17(b) of the Food and Nutrition Act of 2008 (as amended through Public Law 110–246). Therefore, since FNS has denied the majority of the proposal and it is clear that cost-neutrality is unattainable for the remaining provision, this premise is being suspended.

IMPLEMENTATION DATE:

This premise has not implemented. It is being suspended.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.4.
- The FC youth who would have been impacted are those who do not already receive CF or SSI/State Supplementary Payment benefits and/or are classified as students.
- These new cases would be cost avoidance to AB 12 (Chapter 559, Statutes of 2010) if this premise were to implement.

METHODOLOGY:

Funding is suspended.

FUNDING:

The CF sharing ratio for administrative costs is 50 percent FNS fund and 50 percent General Fund (GF). The CFAP funding is 100 percent GF.

Transitional CalFresh for Foster Youth (AB 719)

CHANGE FROM PRIOR SUBVENTION:

This premise is being suspended as CDSS has been unable to obtain federal approval.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CFAP Grants	**Total**	**Federal**	**State**	**County**	**Reimb.**
Transitional CalFresh for Foster Youth (AB 719)	$0	$0	$0	$0	$0
Item 141 - County Administration and Automation Projects 16.75					
Transitional CalFresh for Foster Youth (AB 719) – CalFresh Administration	0	0	0	0	0
Transitional CalFresh for Foster Youth (AB 719) – Automation	0	0	0	0	0

FY 2013-14

Item 101 – CFAP Grants	**Total**	**Federal**	**State**	**County**	**Reimb.**
Transitional CalFresh for Foster Youth (AB 719)	$0	$0	$0	$0	$0
Item 141 - County Administration and Automation Projects 16.75					
Transitional CalFresh for Foster Youth (AB 719) – CalFresh Administration	0	0	0	0	0
Transitional CalFresh for Foster Youth (AB 719) – Automation	0	0	0	0	0

School Lunch Program (AB 402)

DESCRIPTION:

This premise provides the option for local school districts or county offices of education to partner with local CalFresh county offices to identify potential new CalFresh applicants. Pursuant to Assembly Bill (AB) 402 (Chapter 504, Statutes of 2011), households that qualify for free or reduced-price school meals will be notified that they may also qualify for CalFresh benefits. With authorization from the applicant, the information included in the School Lunch Program application will be shared with the local CalFresh county office for consideration of eligibility. This is an optional county program.

IMPLEMENTATION DATE:

The implementation date has been delayed to July 2013 from November 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18901.55.
- Based on October 2011 caseload data from the California Department of Education, approximately 3.5 million school-aged children statewide are eligible for school meals.
- The average Social Security Income/State Supplementary Payment (SSI/SSP) caseload between March 2012 and February 2013 was approximately 1.3 million. Based on the SSP 107 Recipient Summary Report for the same period, 13.6 percent of the SSI/SSP caseload (174,115 individuals) are school-aged children and assumed eligible to receive school meals. Due to receipt of SSI/SSP, these children are ineligible for CalFresh benefits.
- The number of children eligible for school lunch and CalFresh benefits is reduced by 3.63 percent (125,961 children) to remove ineligible undocumented children (based on the latest population projection by the Department of Finance in January 2013).
- Based on January 2013 Medi-Cal Eligibility Determination System (MEDS) data, it is assumed that 1.7 million school-aged children (between four and 17 years of age) are already receiving CalFresh.
- It is assumed that Alameda, Los Angeles, San Mateo and Santa Clara Counties will participate in this program. The four counties combined account for 34.6 percent of Non-Assistance CalFresh (NACF) households.
- Based on information from the California Welfare Directors Association, it is assumed that the participating school districts in Alameda, Los Angeles, San Mateo and Santa Clara Counties represent 13.0 percent of school-aged children in these counties. This results in 67,577 additional children that may potentially be eligible for CalFresh through this process.
- Based on January 2013 MEDS data, 34.9 percent of school-aged children have a non-school-aged sibling (under four years of age) who would also be eligible for CalFresh benefits, resulting in an additional 23,558 children and a total of 91,135 children who could potentially be eligible for CalFresh.
- Based on January 2013 MEDS data, there are an estimated 2.0 children per CalFresh household, which results in 44,894 households that would potentially be newly eligible for CalFresh.

School Lunch Program (AB 402)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the California Work Opportunity and Responsibility to Kids experience reported on the Food Stamp Program Monthly Caseload Movement Statistical Report DFA 296 in calendar year 2012, it is assumed that 66.7 percent of the applications are eligible to receive CalFresh benefits.
- Of the applicants who are eligible to receive CalFresh benefits, it is assumed that 42.0 percent of those eligible households (18,856 households) will participate in CalFresh, based on the state's 2010 CalFresh participation rate.
- It is assumed that there are 2.98 persons per household in these eligible families.
- Based on the number of potentially newly eligible households and the share of applications that are eligible for CalFresh, it is estimated that 28,888 households will apply for CalFresh benefits.
- It is assumed that the intake cost for an Eligibility Worker (EW) to process a NACF case is $51.00 per case and that intake costs will occur one time at the beginning of the school year for new applicants.
- After initial enrollment, a four percent new applicant rate per month is assumed with an intake cost of $51.00 per case. This will not result in net change in caseload as a four percent attrition rate is also assumed.
- It is assumed that 7.2 percent of the caseload would be subject to mid-period reporting and that the cost for an EW to process a mid-period report is $28.23.
- It is assumed that the cost for an EW to process NACF and the California Food Assistance Program (CFAP) continuing cases is $9.73 on a monthly basis.
- Based on the coupon cost expenditures in calendar year 2012, these NACF households are estimated to have an average CalFresh benefit amount of $442.82 (assuming 2.98 persons per household) through October 2013, decreasing to $425.11 beginning November 1, 2013, as a result of the expiration of American Recovery and Reinvestment Act of 2009 (ARRA) enhanced benefits. Note that the President's Federal Fiscal Year 2014 budget calls for extending the ARRA enhanced benefits through March 31, 2014.
- The impact to the CFAP is approximately one percent.

METHODOLOGY:

- The intake costs are determined by multiplying the number of applicants by the intake cost per applicant of $51.00.
- The monthly administrative costs associated with processing the mid-period changes are calculated by multiplying the ongoing cases by 7.2 percent and by $28.23.
- The semiannual administrative costs associated with processing the semiannual reporting (SAR) reports are calculated by multiplying the new cumulative cases by $9.37 on a monthly basis beginning October 1, 2013.
- The CFAP coupon costs are calculated by multiplying the caseload by the average CalFresh coupon cost and then by one percent.

School Lunch Program (AB 402)

METHODOLOGY (CONTINUED):

- The CFAP administrative costs are calculated by multiplying the CalFresh administrative cost by one percent.

FUNDING:

The CFAP benefit and administrative costs are 100 percent General Fund (GF). Administrative costs for the CalFresh program are funded 50 percent Food and Nutrition Service fund, 35 percent GF and 15 percent county funds.

CHANGE FROM PRIOR SUBVENTION:

CFAP grants, CalFresh and CFAP administration: The decreases in FY 2012-13 are due to delayed implementation date from November 2012 to July 2013 and the increases in FY 2013-14 reflect an updated projected caseload. The FY 2013-14 increases in CalFresh and CFAP administration are slightly offset by the implementation of SAR on October 1, 2013, and the increase in CFAP grants is slightly offset by the expiration of ARRA enhanced benefits on November 1, 2013.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 101 – CFAP Grants	**Total**	**Federal**	**State**	**County**	**Reimb.**
School Lunch (AB 402) Impact	$0	$0	$0	$0	$0
Item 141 – CalFresh Administration					
School Lunch (AB 402)	0	0	0	0	0
Item 141 – CFAP Administration					
School Lunch (AB 402)	0	0	0	0	0

FY 2013-14

Item 101 – CFAP Grants	**Total**	**Federal**	**State**	**County**	**Reimb.**
School Lunch (AB 402) Impact	$975	$0	$975	$0	$0
Item 141 – CalFresh Administration					
School Lunch (AB 402)	3,977	1,989	1,392	596	0
Item 141 – CFAP Administration					
School Lunch (AB 402)	40	0	40	0	0

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Supplemental Security Income/State Supplementary Payment (SSI/SSP) – Basic Costs

DESCRIPTION:

This premise reflects the basic costs for the SSI/SSP program. The SSI program, authorized by Title XVI of the Social Security Act, replaced the prior federal/state matching grant program of adult assistance to the aged, blind and disabled in January 1974. The SSI/SSP program is a cash assistance program for low-income aged, blind and disabled persons. California opted to supplement the SSI payments, creating the SSP program. The Social Security Administration (SSA) administers the SSI/SSP program at California's option.

The maximum amount of aid is dependent on whether one is aged, blind or disabled; living arrangement; marital status and whether or not one is a minor.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer the program under Title XVI of the Social Security Act.
- Title XVI section 1611 of the Social Security Act defines the amount of SSI benefits an individual may be eligible to receive.
- The basic cost per case for SSI and SSP estimates is developed from actual federal and state expenditures reported on the State Data Exchange and SSA 8700 reports, as well as caseload and federal and state expenditures reported on the SSP 107 reports.
- The Title XIX medical facility caseload remains stable with significantly lower average grants than SSI/SSP recipients.
- The SSI and SSP average grants based on actual data from calendar year 2012 are as follows:

	SSI	SSP
Aged	$346.21	$160.84
Blind	$442.75	$206.83
Disabled	$484.40	$159.53

METHODOLOGY:

The SSI/SSP basic costs are computed for the aged, blind, disabled and recipients in Title XIX medical facilities categories and then summed to produce total basic costs. Both the SSI and SSP basic average grants are calculated for all categories except for the costs for recipients in Title XIX medical facilities as the caseload and grants for this population are uniquely different than the other categories. The average SSI/SSP grants are then multiplied by the estimated caseloads and the costs for the recipients in Title XIX medical facilities are added back in.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds and the SSP portion is funded with 100 percent General Fund. Costs for each component are computed separately.

Supplemental Security Income/State Supplementary Payment (SSI/SSP) – Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 and FY 2013-14 is due to increased cost per case for SSI slightly offset by a lower projected caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in the caseload.

CASELOAD:

	FY 2012-13	FY 2013-14
Average Monthly Recipients	1,287,136	1,298,697

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 - SSI/SSP	Total	Federal	State	County	Reimb.
Basic Costs	$9,261,164	$6,805,763	$2,455,401	$0	$0

FY 2013-14

Item 111 - SSI/SSP	Total	Federal	State	County	Reimb.
Basic Costs	$9,351,614	$6,874,181	$2,477,433	$0	$0

Supplemental Security Income/State Supplementary Payment (SSI/SSP) – Federal COLA Impact

DESCRIPTION:

This premise reflects the impact of the federal cost-of-living adjustments (COLA) as applied to the SSI portion of the grant for SSI/SSP program recipients.

IMPLEMENTATION DATE:

- The 2012 federal COLA implemented on January 1, 2012.
- The 2013 federal COLA implemented on December 31, 2012.
- The 2014 federal COLA will implement on January 1, 2014.

KEY DATA/ASSUMPTIONS:

- Title XVI of the Social Security Act section 1617 authorizes the COLA for SSI recipients.
- Each year, the federal Social Security Administration (SSA) releases a preliminary estimate of the COLA that will apply to the following year's SSI grants and, later in the year, releases the final COLA based on the Consumer Price Index (CPI).
- The 2012 federal COLA with a CPI of 3.6 percent was passed through to recipients on January 1, 2012.
- The 2013 federal COLA with a CPI of 1.7 percent was passed through to recipients on December 31, 2012.
- An estimated 2014 federal COLA with a CPI of 0.6 percent will be passed through to recipients on January 1, 2014.
- The SSA establishes maximum grant amounts, which are referred to as payment standards, for the SSI program.
- The COLA impact to the Cash Assistance Program for Immigrants (CAPI) is included in the SSP portion of this premise.

METHODOLOGY:

- New payment standards for SSI are implemented when there is a positive CPI.
- The updated caseload and average grants are then multiplied to determine changes in costs for the period applicable to the new standards.

FUNDING:

The SSI portion of the SSI/SSP program is funded with 100 percent federal Title XVI funds. The SSP portion of the SSI/SSP program is funded with 100 percent General Fund.

Supplemental Security Income/State Supplementary Payment (SSI/SSP) – Federal COLA Impact

CHANGE FROM PRIOR SUBVENTION:

For the 2012 federal COLA, actual data is available and the impact is included within SSI/SSP Basic. For 2013 and 2014 the erosion of state savings and decrease in federal cost is due to a lower caseload projection.

REASON FOR YEAR-TO-YEAR CHANGE:

As the federal COLA implements each calendar year, six months impact each fiscal year.

EXPENDITURES:

(in 000s):

FY 2012-13

Item 111 – SSI/SSP	Total	Federal	State	County	Reimb.
2012 Federal COLA (3.6% CPI Final)	$0	$0	$0	$0	$0
2013 Federal COLA (1.7% CPI Final)	64,265	65,281	-1,016	0	0
2014 Federal COLA (0.6% CPI Estimated)	0	0	0	0	0

FY 2013-14

Item 111 – SSI/SSP	Total	Federal	State	County	Reimb.
2012 Federal COLA (3.6% CPI Final)	$0	$0	$0	$0	$0
2013 Federal COLA (1.7% CPI Final)	64,066	65,591	-1,525	0	0
2014 Federal COLA (0.6% CPI Estimated)	24,452	26,064	-1,612	0	0

SSP/CVCB/NMOHC Administration

DESCRIPTION:

The Social Security Administration (SSA) formerly administered the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program benefit payments without charge to the states. The Omnibus Budget Reconciliation Act of 1993 shifted costs for administration of SSP to the state, effective October 1, 1993. It also provided for additional service fees to be charged if the SSA provides services beyond the expected level, such as increasing or decreasing payment standards outside of the normal January 1 schedule.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1993.

KEY DATA/ASSUMPTIONS:

- The SSA will continue to administer this program under Title XVI of the Social Security Act.
- The federal Balanced Budget Act of 1997 (Public Law 105-33) amended existing federal statutes pertaining to administration fees for SSP payments. For each Federal Fiscal Year (FFY) from 1998 through 2002, administration fees increased from an initial $5.00 per payment to $8.50 per payment in FFY 2002. Increases after FFY 2002 are based on the Consumer Price Index (CPI), or at a rate the Commissioner of Social Security determines is appropriate for the state.
- Effective October 1, 2012, the fee increased from $10.94 to $11.12 per payment based on a 1.6 percent increase as determined by SSA. Effective October 1, 2013, the fee will increase from $11.12 to $11.24 per payment based on an increase of 1.1 percent.
- Administrative costs associated with the California Veterans Cash Benefit (CVCB) program are included in this premise.
- Effective with the 2012-13 Governor's Budget, General Fund (GF) costs associated with the Non-Medical Out-of-Home Care (NMOHC) administration have been included in this premise. These funds are provided by the County Services Block Grant (CSBG) and were previously included in the CSBG premise.

METHODOLOGY:

- For SSP administration, the projected number of payments is based on the projected caseload plus the six-month moving average for other payments (including various items such as late payments and adjustment payments). The projected number of payments is then multiplied by the administrative fee.
- The CVCB administration is estimated by multiplying the projected caseload by the administrative fee.
- The NMOHC administration is estimated using average expenditures over the past three years.

FUNDING:

The administration costs are 100 percent GF.

SSP/CVCB/NMOHC Administration

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 and FY 2013-14 reflects an increase in other payments, which include late payments and adjustments.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in the average monthly caseload in addition to an increase in the administration fee.

CASELOAD:

	FY 2012-13	FY 2013-14
Average Monthly Recipients	1,287,136	1,298,697

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – SSI/SSP Administration	Total	Federal	State	County	Reimb.
SSP/CVCB/NMOHC Administration	$175,417	$0	$175,417	$0	$0

FY 2013-14

Item 111 – SSI/SSP Administration	Total	Federal	State	County	Reimb.
SSP/CVCB/NMOHC Administration	$179,548	$0	$179,548	$0	$0

California Veterans Cash Benefit (CVCB) Program

DESCRIPTION:

This premise reflects the cost of providing benefits to World War II veterans who returned to the Republic of the Philippines and no longer have a place of residence in California, and were receiving State Supplementary Payment (SSP) benefits on December 14, 1999. The CVCB payments are authorized under Assembly Bill (AB) 1978 (Chapter 143, Statutes of 2000).

IMPLEMENTATION DATE:

This premise implemented on July 19, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12400.
- The grant costs associated with the implementation of AB 1978 are the equivalent of SSP benefits the veterans would receive under the Supplemental Security Income (SSI)/SSP program.
- An average benefit payment of $157.64 will be paid to eligible recipients.
- The Social Security Administration administers the CVCB program in conjunction with benefits under Title VIII of the federal Social Security Act.
- Administrative costs associated with the CVCB program are reflected in the SSP/CVCB/Non-Medical Out-of Home Care Administration premise.
- The average monthly number of participating veterans is 1,011 in Fiscal Year (FY) 2012-13, and 893 in FY 2013-14.

METHODOLOGY:

The cost of the program is estimated by multiplying the number of participating veterans by the benefit payment amount.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 and FY 2013-14 is due to a decrease in the average monthly grant.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a lower average monthly caseload.

California Veterans Cash Benefit (CVCB) Program

EXPENDITURES:
(in 000s)

FY 2012-13

Item 111 - SSI/SSP	**Total**	**Federal**	**State**	**County**	**Reimb.**
CVCB	$1,912	$0	$1,912	$0	$0

FY 2013-14

Item 111 - SSI/SSP	**Total**	**Federal**	**State**	**County**	**Reimb.**
CVCB	$1,689	$0	$1,689	$0	$0

SSI Extension

DESCRIPTION:

This premise reflects the net savings associated with qualified Cash Assistance Program for Immigrants (CAPI) transferring back to the Supplemental Security Income/State Supplementary Payment (SSI/SSP) program for an additional two-year period.

Prior to the enactment of Public Law (PL) 110-328, refugees and other humanitarian immigrants became eligible for the 100 percent state-funded CAPI benefit once the seven-year period of SSI/SSP eligibility expired. They obtained CAPI eligibility because they were aged, blind, or disabled and no longer eligible for SSI/SSP due to their non-citizen immigration status. Under federal law, refugees and other humanitarian immigrants are eligible to receive two additional years of SSI benefits. However, the law places conditions on this extended eligibility. The affected immigrants will have to show some evidence of having adjusted their immigration status to Lawful Permanent Resident within certain timeframes, or be age 18 or under or age 70 or older, in order to be eligible for reinstatement to SSI/SSP. The provisions in PL 110-328 expired on October 1, 2010.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2008.

KEY DATA/ASSUMPTIONS:

- The Social Security Administration will continue to administer the program under Title XVI of the Social Security Act.
- Title XVI section 1611 defines the amount of SSI benefits an individual may be eligible to receive.
- Welfare and Institutions Code (W&IC) section 12200 defines the maximum payment standard available under each living arrangement.
- The W&IC chapter 10.3 gives the California Department of Social Services the authority to administer the CAPI program.
- The W&IC section 18940 states the CAPI program will be governed by the same federal and state regulations that govern the SSI/SSP program.
- The W&IC section 18941 authorizes benefits paid under CAPI to be equivalent to benefits provided under the SSI/SSP program, except that the schedule for individuals and couples shall be reduced by $10 per individual and $20 per couple per month.
- Since the average grant for the SSI/SSP program is less than the CAPI program, this premise will net savings from the difference between the two grant amounts for the period in which the recipients receive payments under SSI/SSP.
- After October 1, 2010, the federal law sunset and cases that met their seven-year limit on or after October 1, 2010, could no longer stay on SSI/SSP, unless these cases changed their legal status.
- The SSI/SSP and CAPI average grants are based on the grants used for the basic costs estimates, respectively.

SSI Extension

KEY DATA/ASSUMPTIONS (CONTINUED):

- This program expired in September of 2011, with no grants being issued after that date. This should have been reflected in the appropriation, which would have shown no savings or costs for the Budget Act of 2012.

METHODOLOGY:

The SSI/SSP costs and CAPI savings are calculated by multiplying the average grant amounts by the number of cases staying on SSI/SSP.

FUNDING:

The SSI portion of the program is funded with 100 percent federal Title XVI funds, and the SSP portion is funded with 100 percent General Fund (GF). The CAPI program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – SSI/SSP	**Total**	**Federal**	**State**	**County**	**Reimb.**
SSI Extension – Impact to SSI/SSP	$0	$0	$0	$0	$0
SSI Extension – Impact to CAPI	0	0	0	0	0

FY 2013-14

Item 111 – SSI/SSP	**Total**	**Federal**	**State**	**County**	**Reimb.**
SSI Extension – Impact to SSI/SSP	$0	$0	$0	$0	$0
SSI Extension – Impact to CAPI	0	0	0	0	0

Cash Assistance Program for Immigrants (CAPI)

DESCRIPTION:

This premise reflects the costs associated with providing benefits to aged, blind and disabled legal immigrants under the CAPI. The CAPI benefits are equivalent to Supplemental Security Income/State Supplemental Payment (SSI/SSP) program benefits, less $10 per individual and $20 per couple. This premise includes costs for both the grant and administrative costs.

The CAPI recipients in the base program include immigrants who entered the United States (U.S.) prior to August 22, 1996, and are not eligible for SSI/SSP benefits solely due to their immigration status as well as those who entered the U.S. on or after August 22, 1996, but meet special sponsor restrictions (have a sponsor who is disabled, deceased or abusive). The extended CAPI recipients include immigrants who entered the U.S. on or after August 22, 1996, who do not have a sponsor or have a sponsor who does not meet the sponsor restrictions of the base program.

IMPLEMENTATION DATE:

This premise implemented on October 1, 1998.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) chapter 10.3.
- The W&IC section 18940 established that the CAPI program is governed by the same federal and state regulations which govern the SSI/SSP program.
- The W&IC section 18941 established that benefits paid under CAPI are equivalent to benefits provided under the SSI/SSP program, except that the schedule is reduced by $10 per individual and $20 per couple per month.
- Although CAPI was originally due to sunset on July 1, 2000, Assembly Bill (AB) 1111 (Chapter 147, Statutes of 1999) extended the base program indefinitely.
- AB 1111 also created time-limited CAPI eligibility from October 1, 1999, through September 30, 2000, for immigrants who entered the U.S. on or after August 22, 1996. This bill established a five-year deeming period for these cases. AB 2876 (Chapter 108, Statutes of 2000) extended time-limited CAPI for one more year through September 30, 2001. AB 429 (Chapter 111, Statutes of 2001) eliminated the sunset date for the time-limited (“extended”) program altogether, and lengthened the deeming period to ten years.
- The average monthly CAPI cases for Fiscal Year (FY) 2012-13 is 12,333 and 13,269 in FY 2013-14.
- The average monthly grant for base CAPI cases is $630.01 for FY 2012-13 and $635.97 for FY 2013-14, based on actual expenditures for calendar year 2012.
- The average monthly grant for extended CAPI cases is $740.63 for FY 2012-13 and $746.59 for FY 2013-14, based on actual expenditures for calendar year 2012.
- The average grants for both base and extended CAPI are impacted by the federal cost-of-living adjustment (COLA).

Cash Assistance Program for Immigrants (CAPI)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The average monthly administrative cost per case for FY 2012-13 and FY 2013-14 is $87.59, based on actual expenditures for calendar year 2012.

METHODOLOGY:

Base CAPI program costs are estimated by multiplying the projected monthly base CAPI caseload by the base CAPI average grant and administrative cost per case. Extended CAPI costs are estimated by multiplying the extended CAPI caseload by the extended CAPI average grant and administrative cost per case. Base CAPI and extended CAPI costs are then added to determine total CAPI Program costs.

FUNDING:

The program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 and FY 2013-14 is due to a decrease in the caseload projection for the extended CAPI population slightly offset by an increase in the caseload projection for the base population.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in the average caseload and average grant due to the 2013 and 2014 federal COLAs.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – SSI/SSP	Total	Federal	State	County	Reimb.
CAPI Program	$121,115	$0	$121,115	$0	$0
Base CAPI	9,806	0	9,806	0	0
Extended CAPI	111,309	0	111,309	0	0

FY 2013-14

Item 111 – SSI/SSP	Total	Federal	State	County	Reimb.
CAPI Program	$131,446	$0	$131,446	$0	$0
Base CAPI	9,316	0	9,316	0	0
Extended CAPI	122,130	0	122,130	0	0

In-Home Supportive Services (IHSS) Basic Costs

DESCRIPTION:

This premise reflects the basic service costs for the IHSS program. The IHSS program enables eligible individuals to receive in-home services that allow them to remain safely in their own homes as an alternative to out-of-home care. Eligible recipients are aged, blind or disabled individuals who receive public assistance or have low incomes.

The IHSS program consists of three components: the Personal Care Services Program (PCSP), which includes services that are Title XIX eligible; the IHSS Plus Option (IPO), which provides services to federally eligible IHSS recipients who could not receive services under the PCSP and the state-only Residual program, which provides services and benefits to recipients who are ineligible for the PCSP and IPO programs.

There are three service delivery modes for IHSS: the individual provider (IP) mode, consisting of an IP hired by the recipient; the county contract mode, consisting of a county contracted service provider who employs individuals to provide services to IHSS recipients and the welfare staff/homemaker mode, which utilizes county employees to provide services for recipients.

This premise includes the State Compensation Insurance Fund (SCIF) and York Risk Services Group, Inc. (York) contract costs. The SCIF administers workers' compensation insurance for IP mode providers in Fiscal Year (FY) 2012-13. The York will administer workers' compensation insurance for IP mode providers in FY 2013-14. The Department of General Services (DGS) manages and supervises these contracts and monitors high-cost cases ($50,000 and over on a quarterly basis).

IMPLEMENTATION DATE:

This premise implemented on April 1, 1993.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300-12314 and 14132.95.
- The following chart shows the projected caseloads by component and corresponding percentages for the PCSP, IPO and Residual programs respectively. The caseloads below represent projections based on the IHSS Basic Costs estimate.

	Total 100.00%	PCSP 91.64%	IPO 7.20%	Residual 1.16%
FY 2012-13 Average monthly caseload	442,769	405,772	31,878	5,119
FY 2013-14 Average monthly caseload	448,225	410,779	32,271	5,175

In-Home Supportive Services (IHSS) Basic Costs

KEY DATA/ASSUMPTIONS (CONTINUED):

- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.
- The state participates in wages up to $11.50 per hour and health benefits up to $0.60 per hour in the IP mode.
- The weighted average cost per hour for FY 2012-13 is $12.07 and for FY 2013-14 is $12.12.
- The payroll tax rate associated with IP wages is assumed to be 11.5 percent.
- The weighted average monthly hours per case are 88.48 in FY 2012-13 and FY 2013-14.
- Based on actual data from February 2012 through January 2013, the total PCSP/IPO program recipients' Share of Cost (SOC) in the IP mode of service is $35.9 million in FY 2012-13 and $36.3 million in FY 2013-14. The total Residual program recipients' SOC in the IP mode of service is $0.4 million in FY 2012-13 and $0.5 million in FY 2013-14.
- The Restaurant Meal Allowance (RMA) monthly grant is $62 and totals $0.3 million in FY 2012-13 and in FY 2013-14.
- In FY 2012-13, total workers' compensation cost, which includes the SCIF, York and DGS contracts is assumed to be $79.8 million. In FY 2013-14 the total cost is assumed to be $37.7 million.
- All costs for recipients in the California Community Transitions Money Follows the Person Demonstration Project are reflected in that premise.

METHODOLOGY:

The estimated PCSP/IPO and Residual basic services cost is computed by multiplying the casemonths by average hours per case and cost per hour. These costs are computed by county. The SOC is subtracted from the total, and then SCIF, York and DGS contract costs and RMA are added.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for nonfederal costs is shared 65 percent General Fund and 35 percent county up to a maximum level of state participation of $12.10 per hour in wages and health benefits and to the statutory maximum thereafter. The federal and county shares are reflected as reimbursements, consistent with cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please refer to the IHSS County MOE premise.
- Federally eligible costs above $12.10 per hour for IP mode are funded at 50 percent federal funds and 50 percent county funds. Non-federally eligible costs above $12.10 per hour are funded 100 percent by county funds.

In-Home Supportive Services (IHSS) Basic Costs

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 reflects a higher cost per hour and hours per case offset by a lower caseload. The increase in FY 2013-14 reflects a higher cost per hour.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects higher caseload and higher cost per hour.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
IHSS Basic - Services	$5,695,210	$0	$1,833,594	$0	$3,861,616

FY 2013-14

Item 111 – IHSS Services	Total	Federal	State	County	Reimb.
IHSS Basic - Services	$5,773,178	$0	$1,858,081	$0	$3,915,097

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Coordinated Care Initiative (CCI)

DESCRIPTION:

This premise reflects the costs of providing In-Home Supportive Services (IHSS) to Medicare/Medi-Cal dually eligible recipients participating in the CCI. The CCI will assist IHSS recipients in accessing seamless, coordinated and quality care and help them find medical professionals, customer service and support groups.

IMPLEMENTATION DATE:

This premise will implement January 2014.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Senate Bill (SB) 1008 (Chapter 33, Statutes of 2012) and SB 1036 (Chapter 45, Statutes of 2012).
- The CCI will implement in eight pilot counties (Alameda, Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara) on a phase-in basis. All remaining counties will transition to CCI in Fiscal Year (FY) 2014-15.
- The CCI will be administered by the Department of Health Care Services (DHCS). The DHCS will estimate the total CCI service costs and potential savings for the program, including those attributable to IHSS.
- The IHSS provided as a CCI benefit will continue to be administered by the California Department of Social Services (CDSS), and IHSS provider payments will continue to be paid through the normal CDSS payment and claiming process.
- The CDSS will continue to budget all IHSS service and administrative costs as normal for those IHSS recipients who are also under a Medi-Cal Managed Care (MMC) plan. This population will transition into CCI under which they will receive IHSS services as part of their MMC plan. This population is referred to as the "base IHSS/CCI population."
- The DHCS will estimate and budget the costs of recipients in long-term care settings who will exit and receive IHSS in a home-based or community-based setting. These new cases result in an increased caseload and cost to the IHSS program. These recipients are referred to as the "new IHSS/CCI population."
- On a cash flow basis, DHCS will send advance payments to CDSS to cover all IHSS/CCI payments for direct services provided. These payments will cover the initial cash outlay associated with making monthly payments to the IHSS service providers. The CDSS will invoice the counties for their funding share and return both the state and county shares for the base IHSS/CCI payments to DHCS. This portion of the payments are displayed under the Reimbursement column on the line titled "CCI Reimb. (State and County)." The "CCI New Service Costs" displays the costs of the new IHSS/CCI population and costs attributed to increased utilization for which the cash advance is not returned to DHCS.
- The DHCS derived the IHSS/CCI base and new costs using actual FY 2010-11 IHSS expenditures along with other home-based and community-based services expenditures and a projected annual growth rate.

Coordinated Care Initiative (CCI)

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimated base and new CCI costs were tied to actual expenditures only, as the base, new CCI caseload, hours per case or cost per case assumptions were not available.
- Of the new service costs line titled “CCI New Services Cost,” 50 percent is assumed to be attributed to new cases and the other 50 percent is assumed to be attributed to increased utilization and/or costs per case.
- Administrative activities costs for the new CCI population are assumed to be consistent with assumptions used for the regular IHSS Basic Administration premise. The administrative costs assume an average monthly caseload, 11.58 hours of social worker (SW) time per case and a SW unit cost of $60.55 per hour in both FY 2012-13 and FY 2013-14.
- This premise assumes a shift in costs due to the Community First Choice Option for the IHSS/CCI base and new population costs.
- The values on the “Shift to Medi-Cal Managed Care (MMC) (Reimb. from DHC)” line as displayed in the 2012-13 Appropriation are now displayed on the line titled “CCI Reimb. (State and County)” of the Detail Tables.

METHODOLOGY:

- The base and new CCI costs associated with IHSS are estimated by DHCS, using actual FY 2010-11 IHSS expenditures along with other home- and community-based services program expenditures.
- Administrative costs are calculated by multiplying the derived average monthly caseload for the new CCI population by the standard hours per case per year by the SW unit cost.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, and the amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) for those cases meeting eligibility criteria. Funding for nonfederal service costs are shared 65 percent General Fund (GF) and 35 percent county up to a maximum level of state participation of $12.10 per hour in wages and health benefits and to the statutory maximum thereafter. The federal and county shares for service costs are reflected as reimbursements, consistent with actual cash flow.
- Federal funding for administrative costs attributable to the new CCI population is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Funding for the remaining nonfederal costs is 70 percent GF and 30 percent county. The federal share is reflected as a reimbursement, consistent with actual cash flow.
- The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please refer to the IHSS County MOE premise.

Coordinated Care Initiative (CCI)

CHANGE FROM PRIOR SUBVENTION:

There is no change to FY 2012-13. The decrease in costs for FY 2013-14 reflect updated data from DHCS, which accounts for service hour reductions resulting from the IHSS Settlement Agreement and a delay in implementation date.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will implement FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
CCI New Services Cost	$0	$0	$0	$0	$0
CCI Reimb. (State and County)	0	0	0	0	0
Item 111 – IHSS Administration					
CCI New Administration Cost	0	0	0	0	0

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
CCI New Services Cost	$19,061	$0	$0	$0	$19,061
CCI Reimb. (State and County)	242,189	0	0	0	242,189
Item 111 – IHSS Administration					
CCI New Administration Cost	757	0	266	114	377

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3.6 Percent Across-the-Board Reduction

DESCRIPTION:

This premise reflects the savings and administrative costs associated with reducing In-Home Supportive Services (IHSS) service hours by 3.6 percent as a result of Assembly Bill 1612 (Chapter 725, Statutes of 2010) and Senate Bill 1041 (Chapter 47, Statutes of 2012), which extended expiration of the reduction from June 30, 2012, to June 30, 2013. Recipients may determine which of their services will be impacted by the reduction.

IMPLEMENTATION DATE:

This premise implemented on February 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301.06.
- This premise assumes 11 months of impact in Fiscal Year (FY) 2012-13 with an expiration of June 30, 2013.
- The reduction is applied to 431 million paid service hours in FY 2012-13, resulting in a total reduction of 16 million hours to 442,466 impacted recipients.
- Assumes 88.48 average hours per case per month in FY 2012-13 prior to applying the 3.6 percent reduction and an average cost per hour of $12.07.
- The social worker (SW) unit cost is $60.55 per hour.
- Of the 442,466 total impacted recipients in FY 2012-13, 9,816 are new recipients who would create administrative costs per the following:
    - For ten percent of new recipients, ten minutes of SW time for special handling of Notices of Action (NOA).
    - For 25 percent of new recipients, five minutes of SW time for answering questions about the reduction.
- Assumes that two percent of recipients will request a reassessment as a result of a change in the recipient's current condition and that 30 minutes of SW time is needed to complete a reassessment.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

Savings from services are computed by multiplying the total paid service hours by 3.6 percent by the average cost per hour. Administrative costs are based on SW time spent addressing concerns and performing reassessments, along with costs to mail NOAs.

3.6 Percent Across-the-Board Reduction

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for nonfederal service costs is shared 65 percent General Fund (GF) and 35 percent county up to a maximum level of state participation of $12.10 per hour in wages and health benefits and to the statutory maximum thereafter. The federal and county shares for service costs are reflected as reimbursements, consistent with actual cash flow. For administration, funding for the nonfederal costs is shared 70 percent GF and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in savings in FY 2012-13 is due to increased average costs per hour offset by a lower caseload. The increase in administrative costs in FY 2012-13 is due to mailing costs for NOAs. There are no changes in savings or administrative costs in FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

The elimination of savings and administrative costs reflects the expiration of this premise in FY 2012-13.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
3.6 Percent Across-the-Board Reduction	-$187,126	$0	-$60,245	$0	-$126,881
Item 111 – IHSS Administration					
3.6 Percent Across-the-Board Reduction – Admin.	411	0	146	63	202

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
3.6 Percent Across-the-Board Reduction	$0	$0	$0	$0	$0
Item 111 – IHSS Administration					
3.6 Percent Across-the-Board Reduction – Admin.	0	0	0	0	0

Eliminate Services for Recipients Without a Health Care Certificate (HCC)

DESCRIPTION:

Senate Bill 72 (Chapter 8, Statutes of 2011) provides that all IHSS recipients must obtain a HCC to remain in or enter the IHSS program. This premise reflects the savings associated with eliminating In-Home Supportive Services (IHSS) for recipients who are unable to obtain a HCC from a licensed health care professional indicating that IHSS services are required to avoid institutionalization.

IMPLEMENTATION DATE:

This premise implemented on August 1, 2011, for new recipients and September 1, 2011, for current recipients.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12309.1.
- This premise is an offset to the IHSS Basic services premise.
- Assumes all current and new recipients will be required to obtain a HCC that states personal care services provided through IHSS are necessary to prevent out-of-home placement.
- The weighted average service cost per hour is $12.07 in Fiscal Year (FY) 2012-13 and $12.12 in FY 2013-14.
- Assumes savings from a monthly average of 5,902 recipients/applicants in FY 2012-13 and 1,348 in FY 2013-14 based on termination on denial data from August 2011 to September 2012.
- Assumes savings from 30.17 average monthly hours per impacted recipient/applicant in FY 2012-13 and 31.29 in FY 2013-14 based on termination on denial data from August 2011 to September 2012.
- The social worker (SW) unit cost is $60.55 per hour.
- Assumes 0.5 hours of SW time to process HCCs for 79,245 current recipients and 10,119 new recipients in FY 2012-13 and 5,457 new recipients in FY 2013-14.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

For services, savings are computed by multiplying the hourly service costs by the average hours terminated and denied by the average impacted cases. For administration, costs are estimated by multiplying the SW rate by the amount of time needed to process HCCs and the number of recipients/applicants submitting a HCC.

Eliminate Services for Recipients Without a Health Care Certificate (HCC)

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for nonfederal service costs is shared 65 percent General Fund (GF) and 35 percent county. The federal and county shares for service costs are reflected as reimbursements, consistent with actual cash flow. For administration, funding for the nonfederal costs is shared 70 percent GF and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The decrease in savings for services and administrative costs in both FY 2012-13 and FY 2013-14 is due to a lower number of projected cases impacted by the requirement than was previously estimated.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in savings for services and administrative cost is due to a decrease in the projected number of cases unable to obtain a HCC.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Elim. Svcs. for Recipients w/o Health Care Certificate	-$25,778	$0	-$8,300	$0	-$17,478
Item 111 – IHSS Administration					
Elim. Svcs. for Recips. w/o Health Care Cert.- Admin.	2,705	0	964	413	1,328

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Elim. Svcs. for Recipients w/o Health Care Certificate	-$6,135	$0	-$1,975	$0	-$4,160
Item 111 – IHSS Administration					
Elim. Svcs. for Recips. w/o Health Care Cert.- Admin.	307	0	109	47	151

20 Percent Trigger Reduction

DESCRIPTION:

This premise description reflects the savings and administrative costs associated with reducing In-Home Supportive Services (IHSS) service hours by 20 percent in accordance with the mandated reduction triggered as a result of the failure of state General Fund (GF) revenue to meet the $87.5 billion Fiscal Year (FY) 2011-12 target outlined in Assembly Bill 121 (Chapter 41, Statutes of 2011). Under this reduction, recipients at risk of out-of-home placement would receive an opportunity for a partial or full restoration of reduced hours through a request for supplemental care. Those recipients determined not to be at risk of out-of-home placement would be able to appeal the determination.

On December 1, 2011, Plaintiffs in *Oster v. Lightbourne* requested a temporary restraining order (TRO) to prevent defendants from implementing the 20 percent reduction in authorized IHSS services mandated by Welfare and Institutions Code (W&IC) section 12301.07; a TRO was issued that day by the Court. Plaintiffs' motion for a preliminary injunction was granted on January 19, 2012. The department has appealed the preliminary injunction to the Ninth Circuit Court of Appeal.

The IHSS Settlement Agreement was filed March 28, 2013 with preliminary approval on April 4, 2013. This settlement resolves two class-action lawsuits: *Oster v. Lightbourne* and *Dominguez v. Schwarzenegger*. As a result, this premise will not implement.

IMPLEMENTATION DATE:

This premise will not implement.

KEY DATA/ASSUMPTIONS:

Authorizing statute: The W&IC section 12301.07.

METHODOLOGY:

The savings are computed by multiplying the total number of reduced hours by the average cost per hour. The savings are offset by administrative costs, State Operations costs resulting from requests for hearings, aid paid pending and Case Management, Information and Payrolling System Legacy costs. The adjusted savings are then impacted by the Community First Choice Option, Federally Ineligible Providers and California Community Transition premises.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of federal financial participation based on the Federal Medical Assistance Percentage for those cases meeting eligibility criteria. For this estimate, funding for nonfederal service costs is shared 65 percent GF and 35 percent county. The federal and county shares for service costs are reflected as reimbursements, consistent with actual cash flow.
- Funding for the nonfederal portion of administrative costs is shared 70 percent GF and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

20 Percent Trigger Reduction

FUNDING (CONTINUED):

- For State Operations, funding is shared 50 percent FFP and 50 percent GF.
- The net GF impact of savings and costs is displayed in the service line.

CHANGE FROM PRIOR SUBVENTION:

This premise will not implement.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise will not implement.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
20 Percent Trigger Reduction	$0	$0	$0	$0	$0

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
20 Percent Trigger Reduction	$0	$0	$0	$0	$0

8 Percent Across-the-Board Reduction

DESCRIPTION:

This premise reflects the savings and administrative costs associated with reducing In-Home Supportive Services (IHSS) service hours by eight percent for all recipients in accordance with the IHSS Settlement Agreement, filed March 28, 2013, with preliminary approval on April 4, 2013. This settlement resolves two class-action lawsuits: *Oster v. Lightbourne* and *Dominguez v. Schwarzenegger*. Premises previously associated with these lawsuits include the Cost Containment premise *(Oster I)*, 20 Percent Trigger Reduction *(Oster II)* and Reduce Wages to $9.50 and $0.60 in Health Benefits *(Dominguez)*.

The current 3.6 Percent Across-the-Board Reduction to IHSS service hours will sunset on June 30, 2013. This Eight Percent Across-the-Board Reduction to authorized service hours will begin July 1, 2013. This reduction will be lowered to seven percent effective July 1, 2014.

IMPLEMENTATION DATE:

This premise will implement July 1, 2013.

KEY DATA/ASSUMPTIONS:

- Assumes this reduction is applied to all projected IHSS service hours in Fiscal Year (FY) 2013-14.
- Assumes the targeted eight percent reduction with offsets for county administrative costs associated with appeals based on changes in circumstances.
- Assumes 39.7 million monthly paid service hours in FY 2013-14 will be impacted.
- Assumes an average cost per case of $12.12 per hour in FY 2013-14.
- Assumes $4.1 million in total costs for mailing and state operations costs that will offset the savings.
- Assumes a social worker (SW) unit cost of $60.55 per hour.
- Assumes 162,576 SW hours on a one-time basis will be needed for the combined reassessments and follow-up activities as requested by the recipients impacted by the reduction.

METHODOLOGY:

The savings from services are calculated by multiplying the impacted monthly paid service hours by eight percent reduction, by the average cost per hour, by 12 months and offsetting the mailing, county administration and state operations costs. Administrative costs are calculated by multiplying the SW unit cost by the amount of SW time required to perform reassessments and follow-up activities.

8 Percent Across-the-Board Reduction

FUNDING:

Savings from services are shared based on Federal Financial Participation (FFP) eligibility criteria. Federal savings for cases eligible for Community First Choice Option (CFCO) funding will be 56 percent. All other cases will have FFP of 50 percent. Nonfederal savings are shared 65 percent General Fund (GF) and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow. The nonfederal shares do not reflect impacts as a result of the IHSS County Maintenance of Effort (MOE). The county share from the administration costs from this premise result in GF costs. The county share of savings associated with this premise reduces county expenditures which result in GF savings as reflected in the *MOE Shift to GF* line.

CHANGE FROM PRIOR SUBVENTION:

This new premise implements in FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

This is a new premise.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
8 Percent Across-the-Board Reduction	$0	$0	$0	$0	$0
Item 111 - IHSS Services					
8 Percent Across-the-Board Reduction-Admin.	1,010	0	505	0	505
* 8 Percent Reduction	0	0	0	0	0

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
8 Percent Across-the-Board Reduction	-$387,656	$0	-$114,843	$0	-$272,813
Item 111 - IHSS Services					
8 Percent Across-the-Board Reduction-Admin.	9,844	0	3,494	1,497	4,853
* 8 Percent Reduction	-176,382	0	-176,382	0	0

* This non-add line represents the full GF savings, reflecting CFCO and the MOE shift impact.

Federally Ineligible Providers

DESCRIPTION:

This premise reflects the cost of a state/county funded program for In-Home Supportive Services (IHSS) providers who have criminal histories and have been found ineligible for federal Medicaid reimbursement, even though the recipients they serve are Medi-Cal eligible. The court in *Ellis/Beckwith v. Wagner and Maxwell-Jolly (Beckwith)* required the state to enroll all providers with previous criminal convictions unless the provider was convicted of one of the three crimes listed in Welfare and Institutions Code (W&IC) section 12305.81, which includes fraud against a government health care or supportive services program, specified abuse of a child and specified abuse of an elder or dependent adult. The W&IC section 12305.87 was added pursuant to Assembly Bill 1612 (Chapter 725, Statutes of 2010), which expands the list of convictions that can be used as a basis to exclude a provider from the program.

The W&IC section 12305.87, however, authorizes an IHSS recipient to waive the exclusionary convictions of an individual, as identified under that same section, and continue to receive services from the otherwise ineligible provider. The W&IC section 12305.87 also allows individuals excluded under that section to apply for a general exception to work as a provider and, if granted, be eligible to provide IHSS. However, these two lists of crimes and waiver/exception processes in these statutes are not consistent with federal requirements excluding Medicaid providers.

To ensure the California Department of Social Services continues to receive federal reimbursement and to comply with the requirements of the *Beckwith* court order, a state/county funded program was established. This program allows enrollment of providers who: have criminal conviction(s) that are not identified in W&IC sections 12305.81 and 12305.87 but warranted placement on the federal Office of the Inspector General (OIG) list as required to be excluded from Medicaid participation; and due to the court order, must be allowed to continue working for their Medi-Cal recipients. As these providers are ineligible to provide services to Medicaid-eligible recipients, this premise creates the necessary funding shift to assure no federal share is used, only state and county shares, in the compensation of service hours provided under these circumstances.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010, with a retroactive application to November 2009.

KEY DATA/ASSUMPTIONS:

- This estimate reflects the state and county costs and federal savings adjustments associated with providers who are on the OIG list and Suspended and Ineligible Provider list. These providers are ineligible to receive compensation with a federal share for services provided.
- The estimate assumes shifting the costs for 339 recipients in Fiscal Year (FY) 2012-13 and 341 recipients in FY 2013-14 receiving services from a provider who will receive an individual waiver or a general exception, with an average of 88.48 monthly hours per recipient.

Federally Ineligible Providers

METHODOLOGY:

Costs are computed by multiplying the number of recipients who are being served by a provider who receives an individual waiver or general exception by the average hours and the cost per hour.

FUNDING:

For this estimate, funding is shared 65 percent General Fund and 35 percent county. The federal and county shares are reflected as reimbursements, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on this premise, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in costs in FY 2012-13 and FY 2013-14 reflects an increase in the number of impacted providers, based on OIG audit findings.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in costs reflects a higher number of impacted recipients.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Federally Ineligible Providers	$0	$0	$1,651	$0	-$1,651

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Federally Ineligible Providers	$0	$0	$1,669	$0	-$1,669

Community First Choice Option (CFCO)

DESCRIPTION:

The purpose of this premise is to separately display the enhanced federal medical assistance percentage (FMAP) associated with the CFCO services. The enhanced FMAP increases federal funding, which results in savings to the General Fund (GF).

The CFCO is a Medi-Cal state plan benefit that provides home-based and community-based attendant services and support benefits to qualified In Home Supportive Services (IHSS) recipients who meet the state's nursing facility clinical eligibility standards. These services are eligible to receive an enhanced FMAP of 56 percent (six percent above the standard 50 percent FMAP associated with other IHSS services), as authorized by the federal Centers for Medicaid and Medicare Services (CMS) approval of state plan amendment (SPA) 11-034.

IMPLEMENTATION DATE:

This premise implemented on August 31, 2012, with a retroactive application to December 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.956.
- On August 31, 2012, the federal CMS approved a SPA for CFCO, allowing the state to obtain increased federal funding for eligible Personal Care Services Program (PCSP) and IHSS Plus Option (IPO) program recipients under the federal Social Security Act, section 1915(k) (42 United States Code section 1396n[k]).
- The CFCO-eligible services receive federal funding at an enhanced FMAP of 56 percent (six percent above the standard 50 percent FMAP associated with IHSS services).
- The CFCO benefits include all services currently offered under the PCSP and IPO programs. Services under the Residual program are not eligible for federal funding.
- This premise assumes that an estimated 670 federally-eligible recipients in Fiscal Year (FY) 2012-13 and 664 in FY 2013-14 with income above 150 percent of the federal poverty level will not qualify for the CFCO program.
- For FY 2013-14 this premise assumes 41 percent of federally-eligible recipients will be eligible for CFCO due to the application of stricter nursing facility level-of-care eligibility criteria. The CFCO population includes recipients with high average hours (134.6) and the share of total service costs associated with this population is 62 percent.
- The impact of the CFCO on the Coordinated Care Initiative and the 8 Percent Across-the-Board Reduction are reflected in their own premises.

Community First Choice Option (CFCO)

METHODOLOGY:

- For FY 2012-13 and FY 2013-14, the federal share of CFCO eligible service costs for PCSP and IPO cases receiving home-based and community-based attendant services will increase by six percentage points from the base rate of 50 percentage points due to authorization provided under federal SPA 11-034. The additional federal funding results in savings to the state for eligible IHSS services.
- Effective FY 2013-14, the estimate reflects 62 percent of federally eligible PCSP and IPO costs maintaining CFCO eligibility once stricter nursing facility level-of-care eligibility criteria are implemented.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, also referred to as Medi-Cal. The GF savings are based on the amount of costs that meet the federal eligibility criteria. Federal funding is 56 percent. Nonfederal costs are shared at 65 percent GF, 35 percent county.

CHANGE FROM PRIOR SUBVENTION:

The increased savings in FY 2012-13 is due to an increase in IHSS Basic Service Costs, which is the result of higher cost per case and average hours. The increased savings in FY 2013-14 reflects the updated assumption regarding the portion of costs that will remain eligible once stricter nursing facility level-of-care eligibility criteria are put into practice.

REASON FOR YEAR-TO-YEAR CHANGE:

The decreased savings in FY 2013-14 reflects a lower CFCO-eligible caseload due to the application of stricter nursing facility level-of-care eligibility criteria.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS	Total	Federal	State	County	Reimb.
CFCO	$0	$0	-$207,275	$0	$207,275

FY 2013-14

Item 111 – IHSS	Total	Federal	State	County	Reimb.
CFCO	$0	$0	-$134,492	$0	$134,492

California Community Transitions (CCT) Money Follows the Person Rebalancing Demonstration

DESCRIPTION:

This premise reflects the California Department of Social Services' (CDSS') receipt of an enhanced Federal Medical Assistance Percentage (FMAP) as a result of the CCT Money Follows the Person Rebalancing Demonstration, which is administered by the Department of Health Care Services (DHCS). This program provides an enhanced FMAP to CDSS via an interagency agreement with DHCS for eligible Medi-Cal beneficiaries who have transitioned out of long-term health care facilities into community or home living environments and are receiving In-Home Supportive Services (IHSS) via the Personal Care Services Program or IHSS Plus Option program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2011, with benefits retroactive to June 30, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Deficit Reduction Act of 2005 section 6071 (Public Law Number [PL No.] 109-171) and the Patient Protection and Affordable Care Act section 2403 (PL No. 111-148).
- The enhanced FMAP is available for qualified services provided to CCT participants for 365 days after transition from a long-term health care facility.
- Assumes an average monthly impact from 230 recipients in Fiscal Year (FY) 2012-13 and 245 recipients in FY 2013-14 who have transitioned from long-term health care facilities into IHSS.
- The weighted average cost per hour is $12.07 in FY 2012-13 and $12.12 in FY 2013-14.
- The average monthly hours per recipient is 85.56 hours in FY 2012-13 after the impact of 3.6 percent reduction and 88.48 hours in FY 2013-14.
- The amount of federal financial participation (FFP) is based on an assumed enhanced FMAP of 75 percent in both FY 2012-13 and FY 2013-14.

METHODOLOGY:

The cost of this premise is calculated by multiplying the number of CCT recipients by the cost of their average service hours.

California Community Transitions (CCT) Money Follows the Person Rebalancing Demonstration

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, the Deficit Reduction Act of 2005 and the Patient Protection and Affordable Care Act with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for nonfederal costs is shared 65 percent General Fund and 35 percent county up to a maximum level of state participation of $12.10 per hour in wages and health benefits and to the statutory maximum thereafter. The federal and county shares are reflected as reimbursements, consistent with actual cash flow. The nonfederal shares do not reflect impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in both FY 2012-13 and FY 2013-14 is due to an increase in caseload transitioning into IHSS.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in caseload transitioning into IHSS.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
California Community Transitions (CCT) MFP	$2,850	$0	$196	$0	$2,654

FY 2013-14

Item 111 – IHSS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
California Community Transitions (CCT) MFP	$3,153	$0	$216	$0	$2,937

Conlan

DESCRIPTION:

This premise reflects the costs associated with implementing a Medi-Cal rule that provides reimbursement for eligible In-Home Supportive Services personal care services rendered up to three months prior to applying for Medi-Cal and during the Medi-Cal eligibility determination period. Eligible recipients may also be reimbursed under this premise for excess share-of-cost paid after approval of eligibility. In *Conlan v. Bontá*, the San Francisco Superior Court ordered the Department of Health Care Services (DHCS) to ensure that Medi-Cal recipients entitled to reimbursement for covered services 90 days prior to the Medi-Cal application date are reimbursed promptly. The DHCS implementation plan to comply with *Conlan v. Bontá* is the subject of *Conlan v. Shewry*. Beginning in December 2006, DHCS sent notices to current and former Medi-Cal beneficiaries regarding the process to file a beneficiary reimbursement claim. The DHCS contracts with Affiliated Computer Services (ACS) to process the reimbursement claims and forward them to the California Department of Social Services Adult Programs Division (APD).

IMPLEMENTATION DATE:

The court ordered a start date of November 16, 2006.

KEY DATA/ASSUMPTIONS:

- Implemented by All County Letter 07-11 (February 20, 2007) and 07-32 (September 13, 2007).
- Based on current data from ACS, it is assumed that approximately 83 claims for services rendered during the evaluation period or post-approval will be forwarded to APD per month. The estimate assumes that each qualified analyst will process an average of 18 claims per month. The average cost per claim is assumed to be $774.21 in Fiscal Year (FY) 2012-13 and FY 2013-14.

METHODOLOGY:

The estimated cost is calculated by multiplying the number of claims by the average cost per claim.

FUNDING:

Funding for Conlan claims is shared 65 percent General Fund (GF) and 35 percent county. The county shares are reflected as reimbursements, consistent with actual cash flow. Shares do not reflect any impacts as a result of the In-Home Supportive Services (IHSS) County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 and FY 2013-14 is due to a higher number of claims and a higher average monthly payout.

Conlan

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Conlan	$766	$0	$498	$0	$268

FY 2013-14

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Conlan	$766	$0	$498	$0	$268

Waivers for Personal Care Services (WPCS)

DESCRIPTION:

This premise, formerly called Extended Personal Care Services (Assembly Bill 668), reflects the costs for personal care services that are provided above a recipient's assessed limit in the In-Home Supportive Services (IHSS) Personal Care Services Program or IHSS Plus Option program.

On January 1, 2007, the previous Nursing Facility Level A/B, Nursing Facility Subacute (NF S/A), and In-Home Medical Care Waivers were merged into two distinct home-and community-based services (HCBS) waivers: the Nursing Facility/Acute Hospital (NF/AH) Waiver and the In-Home Operations (IHO) Waiver. All existing waiver participants were transitioned to one of the new waivers using specific Level of Care (LOC) and cost neutrality criteria. The vast majority of existing participants were enrolled in the NF/AH Waiver.

The WPCS has been redefined under these two waivers to include services that differ from those in the State Plan which allow beneficiaries to remain at home. Although there is no longer a requirement that waiver consumers receive the maximum of 283 hours of IHSS prior to receiving WPCS, waiver consumers must first utilize authorized State Plan IHSS hours prior to accessing this waiver service. These services will be provided by the counties' IHSS program providers and will be paid via an interagency agreement with the Department of Health Care Services (DHCS), or will be provided by home health agencies and other qualified HCBS waiver provider types who will be paid via the Medi-Cal fiscal intermediary.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.97.
- Fiscal Year (FY) 2012-13: The NF/AH Waiver A and B LOC (NF A/B LOC) total hours are 2,401,315 and NF Subacute LOC (NF S/A LOC) total hours are 1,386,993. The IHO Waiver NF A/B LOC total hours are 143,898 and NF S/A LOC total hours are 33,371.
- The FY 2013-14: The NF/AH Waiver NF A/B LOC total hours are 2,441,752 and NF S/A LOC total hours are 1,421,226. The IHO Waiver NF A/B LOC total hours are 141,696 and NF S/A LOC total hours are 33,552.
- The cost per hour is assumed at $10.00 in FY 2012-13 and FY 2013-14.
- On January 1, 2010, the federal Centers for Medicare and Medicaid Services extended the IHO Waiver for a five-year period effective January 1, 2010, through December 31, 2014.
- The NF/AH Waiver was renewed on December 1, 2012, and has been extended through December 31, 2016.
- The costs under this premise are eligible to receive an enhanced Federal Medical Assistance Percentage (FMAP) of 56 percent under the Community First Choice Option (CFCO).

Waivers for Personal Care Services (WPCS)

METHODOLOGY:

The FY 2012-13 and FY 2013-14 estimated costs are computed by multiplying the projected total hours by the cost per hour.

FUNDING:

The Title XIX FMAP is 56 percent consistent with CFCO. The nonfederal share of the service costs is funded with 100 percent GF. The DHCS draws down General Fund (GF) and Title XIX reimbursement shares for this premise through its budget. The California Department of Social Services receives full reimbursement from DHCS.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 and decrease in FY 2013-14 is due to updated data on the number of participants and hours.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to an increase in the number of participants and hours.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Waivers for Personal Care Services (WPCS)	$39,656	$0	$0	$0	$39,656

FY 2013-14

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Waivers for Personal Care Services (WPCS)	$40,382	$0	$0	$0	$40,382

Title XIX Reimbursement – In-Home Supportive Services (IHSS)/Child Welfare Services (CWS)/ Adult Protective Services (APS)

DESCRIPTION:

This premise summarizes the federal financial participation (FFP) associated with Title XIX eligible services as authorized under Title XIX of the federal Social Security Act (42 USC section 1396, et. seq.) across all local assistance programs administered by the California Department of Social Services (CDSS). Certain IHSS assessment and eligibility activities and APS are eligible to receive Title XIX federal funding. Additionally, certain health-related (HR) activities in CWS are also eligible to receive these funds.

The CDSS coordinates with the Department of Health Care Services (DHCS) to establish claiming processes to draw down applicable FFP.

Title XIX reimbursements for the IHSS program are displayed in the CDSS tables as follows:

- Line 255 represents the Title XIX service reimbursements for the IHSS Personal Care Services Program (PCSP), IHSS Plus Option (IPO) program (and corresponding offsets), Waivers for Personal Care Services (WPCS) premise, California Community Transitions Money Follows the Person (CCT) premise and Coordinated Care Initiative (CCI) premise.
- Line 260 represents the Title XIX Case Management, Information and Payrolling System (CMIPS) costs eligible for reimbursement.
- Line 262 represents the Title XIX administrative reimbursements for IHSS including PCSP, IPO and CCI.

Title XIX reimbursements for the CWS and APS programs are displayed in the CDSS tables in the corresponding table lines.

KEY DATA/ASSUMPTIONS:

IHSS

Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12317.2.

CWS

- Authorizing statute: The W&IC section 16500.
- A portion of the CWS program has been realigned and is included in the Realigned Programs premise; however, all Title XIX estimated eligible expenditures are displayed here for reference.
- The non-realigned CWS premises with eligible Title XIX costs consist of the CWS/Case Management System Application premises. Please refer to the corresponding premises for additional information.

APS

- Authorizing statute: The W&IC sections 15703 through 15705.40. The services portion of APS has been realigned and is included in the Realigned Programs premise; however, all Title XIX estimated eligible expenditures are displayed here for reference.

Title XIX Reimbursement – In-Home Supportive Services (IHSS)/Child Welfare Services (CWS)/ Adult Protective Services (APS)

FUNDING:

IHSS PCSP/IPO Services

- The PCSP/IPO/WPCS/CCT/CCI programs are eligible to receive Title XIX reimbursement based on the Federal Medical Assistance Percentage (FMAP) of 56 percent for Community First Choice Option (CFCO) eligible services and 50 percent for all other services.

CMIPS Legacy and CMIPS II

- The CMIPS Legacy and CMIPS II systems are eligible to receive Title XIX reimbursement at FMAP of 50 percent.

IHSS Administration

- The FFP for Fiscal Year (FY) 2012-13 and FY 2013-14 is based on the FMAP of 50 percent for federally eligible costs.

CWS

- For FY 2012-13 and FY 2013-14, the Title XIX reimbursement was calculated using prior year actual expenditures. The CWS program costs are eligible for Title XIX funding at the enhanced administrative rate of 75 percent for Skilled Professional Medical Personnel (SPMP) and 50 percent for non-SPMP.
- A portion of the CWS funding has been realigned and is included in the Realigned Programs premise.

APS

- The HR activities in support of Medi-Cal eligible recipients are eligible to receive Title XIX reimbursement at 50 percent. Activities performed by SPMP are eligible to receive Title XIX reimbursement at 75 percent.
- Estimated costs are based on actual expenditures.
- A portion of the APS funding has been realigned and is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in IHSS and decrease in health related activities in both FY 2012-13 and FY 2013-14 reflects updated current data.

Title XIX Reimbursement – In-Home Supportive Services (IHSS)/Child Welfare Services (CWS)/ Adult Protective Services (APS)

REASON FOR YEAR-TO-YEAR CHANGE:

The net change reflects updated current data.

EXPENDITURES:

(in 000s)

FY 2012-13

Total Title XIX	**Total**	**Federal**	**State**	**County**	**Reimb.**
IHSS	$3,314,738	$0	$0	$0	$3,314,738
Health Related Activities	245,635	0	0	0	245,635
IHSS					
IHSS Services	3,057,964	0	0	0	3,057,964
IHSS Administration	204,104	0	0	0	204,104
CMIPS Legacy and II	52,670	0	0	0	52,670
Health Related Activities					
Item 151 – CWS Administration	157,822	0	0	0	157,822
APS and APS Training	87,813	0	0	0	87,813

FY 2013-14

Total Title XIX	**Total**	**Federal**	**State**	**County**	**Reimb.**
IHSS	$3,155,499	$0	$0	$0	$3,155,499
Health Related Activities	242,107	0	0	0	242,107
IHSS					
IHSS Services	2,889,311	0	0	0	2,889,311
IHSS Administration	210,148	0	0	0	210,148
CMIPS Legacy and II	56,040	0	0	0	56,040
Health Related Activities					
Item 151 – CWS Administration	154,294	0	0	0	154,294
APS and APS Training	87,813	0	0	0	87,813

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Case Management, Information and Payrolling System (CMIPS) Legacy

DESCRIPTION:

This premise reflects the costs associated with the operation and maintenance of the In-Home Supportive Services (IHSS) CMIPS and the programming costs needed to meet the reporting requirements of the IHSS Program. The CMIPS consists of the following three components:

Case Management

The CMIPS stores the case record of each individual recipient, which contains information on eligibility, needs assessment, share of cost (if appropriate) and all changes affecting a recipient's case. The CMIPS also generates notices of action (NOAs), cost-of-living adjustments and rate changes; allows for data exchanges with other welfare systems and is used to establish Medi-Cal eligibility. Unique Client Index Numbers (CINs) facilitate the identification of common clients and the exchange of data with other systems. The CIN transactions are processed through the Office of System Integration server.

Management Information

The CMIPS provides periodic management reports that include fiscal and statistical data on a case-by-case, worker-by-worker, office-by-office, county-by-county and statewide basis.

Payrolling System

The CMIPS provides for the authorization and issuance of payment warrants for services provided through the individual provider (IP) mode and prepares all employer tax forms and reports. These reports are used for bookkeeping, accounting and tax preparation purposes on behalf of recipients, county welfare departments and the California Department of Social Services (CDSS).

The State Controller's Office (SCO), under contract with CDSS, issues payroll checks to IP mode providers on behalf of IHSS recipients. The SCO also issues replacement checks and handles checks returned as undeliverable.

The State Treasurer's Office (STO), under contract with CDSS, performs bank reconciliation of IHSS warrants and redeems all valid warrants issued for IHSS providers.

IMPLEMENTATION DATE:

The ongoing costs portion of this premise was implemented on February 1, 1997, and the enhancements started implementing on August 31, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12302.2 and 12304.4 (Assembly Bill 1808 [Chapter 75, Statutes of 2006]) and section 12317 (Senate Bill 1104 [Chapter 229, Statutes of 2004]).
- The CMIPS contract is currently held by HP Enterprise Services, LLC (HP), formerly known as Electronic Data Systems, LLC.

Case Management, Information and Payrolling System (CMIPS) Legacy

KEY DATA/ASSUMPTIONS (CONTINUED):

- The estimated CIN transaction costs are based on the amount of time the CMIPS Legacy system accesses the State Client Index.
- The Provider Direct Deposit (PDD) cost assumes 25 percent provider participation.
- The Fiscal Year (FY) 2012-13 and FY 2013-14 costs, separate from enhancement costs, are as follows:

	FY 2012-13	FY 2013-14
HP	$13,208,066	$13,795,575
STO	602,672	602,672
SCO	8,356,419	8,356,419
CIN Transaction	8,307	8,307
Conlan	150,000	150,000
Direct Deposit Costs	2,000,000	2,100,000
Total Costs	$24,325,464	$25,012,973

- The FY 2013-14 includes $1.5 million total fund ($0.5 million General Fund [GF]) each for enhancements required to implement the Community First Choice Option (CFCO) and Coordinated Care Initiative (CCI) premises.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimate is computed by summing the HP, STO, SCO, CIN data and transaction fee costs, systems operation and maintenance costs, ongoing monthly outreach mailing, help desk staffing, ongoing costs for PDD and Conlan, programming and implementation costs for enhancements for the impacted programs and costs for sending notifications and NOAs.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 70 percent GF and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow.

Case Management, Information and Payrolling System (CMIPS) Legacy

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 and increase in FY 2013-14 is due to the delay of enhancement costs for CFCO and CCI.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to enhancement costs for CFCO and CCI.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS System Costs	**Total**	**Federal**	**State**	**County**	**Reimb.**
CMIPS Legacy	$24,325	$0	$8,601	$0	$15,724

FY 2013-14

Item 111 – IHSS System Costs	**Total**	**Federal**	**State**	**County**	**Reimb.**
CMIPS Legacy	$28,014	$0	$9,906	$0	$18,108

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Case Management, Information and Payrolling System (CMIPS) II

DESCRIPTION:

This premise reflects the costs for contracting with the Health and Human Services Agency Office of Systems Integration (OSI) for development, support, and implementation of a new and enhanced In-Home Supportive Services (IHSS) CMIPS. This project proposes to replace the existing CMIPS with new technologies that provide system access for all IHSS county workers and a communication network between state and county IHSS offices.

IMPLEMENTATION DATE:

This premise implemented on April 1, 2008.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 12302.2.

METHODOLOGY:

The estimated costs are detailed in Special Project Report #5, submitted February 2013.

FUNDING:

- In the Personal Care Services Program, the Title XIX Federal Medical Assistance Percentage (FMAP) rate is 50 percent.
- The nonfederal share is funded 100 percent state General Fund (GF).
- In the Residual Program, the funding is 100 percent GF.
- For the CMIPS II system, the Title XIX FMAP equates to 50 percent for system Maintenance and Operations (M&O).

CHANGE FROM PRIOR SUBVENTION:

The decrease in Fiscal Year (FY) 2012-13 and FY 2013-14 is due to an alignment of funding consistent with the revised CMIPS II Project schedule.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2013-14 is due to the end of project implementation activities and is consistent with the funding necessary to support the CMIPS II Project as it moves in to the M&O phase.

Case Management, Information and Payrolling System (CMIPS) II

Expenditures:
(in 000s)

FY 2012-13

Item 111 – IHSS System Costs	**Total**	**Federal**	**State**	**County**	**Reimb.**
CMIPS II	$82,024	$0	$41,418	$0	$40,606

FY 2013-14

Item 111 – IHSS System Costs	**Total**	**Federal**	**State**	**County**	**Reimb.**
CMIPS II	$85,144	$0	$42,993	$0	$42,151

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$82,024	$17,097	$64,927
FY 2013-14	85,144	13,403	71,741

CMIPS II – Proposed System Changes

DESCRIPTION:

This premise reflects projected system change costs to modify the Case Management, Information and Payrolling System (CMIPS) II to reflect proposed changes to the In-Home Supportive Services (IHSS) program.

IMPLEMENTATION DATE:

This premise reflects system changes that will occur prior to the implementation of various premises, as identified below.

KEY DATA/ASSUMPTIONS:

The costs assumed in 2013-14 Governor's Budget for Fiscal Year (FY) 2012-13 and FY 2013-14 are now budgeted under the CMIPS II premise.

METHODOLOGY:

The estimated costs for each proposed change are summed.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of federal financial participation of 50 percent based on the Federal Medical Assistance Percentage for those cases meeting eligibility criteria. Funding for the remaining nonfederal costs is 100 percent General Fund. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 and FY 2013-14 reflects that these costs are now budgeted under the CMIPS II premise.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CMIPS II – Proposed System Changes

EXPENDITURES:
(in 000s)

FY 2012-13

Item 111 – IHSS System Costs	**Total**	**Federal**	**State**	**County**	**Reimb.**
CMIPS II – Proposed System Changes	$0	$0	$0	$0	$0

FY 2013-14

Item 111 – IHSS System Costs	**Total**	**Federal**	**State**	**County**	**Reimb.**
CMIPS II – Proposed System Changes	$0	$0	$0	$0	$0

In-Home Supportive Services (IHSS) Administration – Basic Costs

DESCRIPTION:

This premise reflects the costs of administering the IHSS program through the Personal Care Services Program (PCSP), IHSS Plus Option, and Residual programs. The IHSS program provides in-home services to the aged, blind and disabled to help individuals maintain an independent living arrangement and avoid institutionalization. This premise includes administrative costs for completion of the emergency contact and back-up form.
Assembly Bill 1773 (Chapter 939, Statutes of 1992) required the California Department of Health Care Services to submit a Medicaid state plan amendment to the federal Centers for Medicaid and Medicare Services to include a portion of the IHSS program as a covered service so that the IHSS PCSP and IHSS Plus Option would be eligible to receive federal funds.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1993, with the implementation of a reduction by five percent pursuant to the Budget Act of 2008 on July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- The reduction to IHSS county administration costs is held to the Budget Act of 2008 amount of $15.0 million total funds (TF).
- The social worker (SW) unit cost is $60.55 per hour.
- The standard hours per case per year are 11.58 hours, including five minutes for completing the required emergency contact and emergency back-up plan form.
- The FY 2012-13 Supportive Individual Provider (SIP) expenditures are $9.3 million TF. The FY 2013-14 SIP reflects $9.4 million TF.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated cost is computed by multiplying the average monthly caseload by the standard hours per case per year and the SW unit cost. The baseline SIP cost from the 2007-08 Appropriation is adjusted to reflect the percent of caseload growth. The sum of those two components is reduced by the FY 2007-08 budget-balancing adjustment of $15.0 million TF.

In-Home Supportive Services (IHSS) Administration – Basic Costs

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 70 percent General Fund and 30 percent county funds. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in both FY 2012-13 and FY 2013-14 is due to a higher caseload, as the impact of eliminating recipients without a Health Care Certificate was lower than projected in the 2013-14 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects a higher average monthly caseload.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
IHSS Basic - Administration	$302,050	$0	$106,554	$45,666	$149,830

FY 2013-14

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
IHSS Basic - Administration	$308,390	$0	$108,373	$46,446	$153,571

Quality Assurance and Contracts

DESCRIPTION:

The Quality Assurance (QA) Initiative was mandated by Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The intent of this initiative is to improve the quality of services, enhance program integrity and detect and prevent program fraud and abuse in the In-Home Supportive Services (IHSS) program. SB 1104 mandated ongoing staff training for county IHSS workers and required the California Department of Social Services (CDSS) to collaborate with the California Department of Health Care Services on annual error rate studies and investigations of suspected fraud in the receipt or provision of services. This premise reflects the administrative costs of implementing the QA program.

IMPLEMENTATION DATE:

This premise implemented on December 1, 2004.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12305.7 and 12305.71.
- The QA methodology derives savings from improved assessments and reassessments after social workers (SWs) receive training.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

County Staff

- There are 220 county QA staff or additional IHSS SWs working on the QA Initiative in Fiscal Year (FY) 2012-13 and in FY 2013-14.
- The annual cost per SW is $129,083 in FY 2012-13 and in FY 2013-14.
- Includes costs for the SW Training Academy.
- Includes costs for an interagency agreement with the California Department of Public Health regarding the sharing of death record information. This information will allow CDSS to assure benefits are paid properly by searching for and identifying fraudulent cases in which deceased recipients continue to exist as active recipients in the IHSS Case Management, Information and Payrolling System.

State-Level Training for SWs

- Training costs include curriculum development, classroom training and post-training evaluation.
- Training will be provided on an ongoing basis.

METHODOLOGY:

The estimate is computed by multiplying the number of QA positions by the annual SW cost and adding the costs of SW training and associated contracts.

Quality Assurance and Contracts

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 70 percent General Fund and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 and FY 2013-14 is due to an increase in contract amounts.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a decrease in the SW training contract.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Quality Assurance and Contracts	$31,533	$0	$11,125	$4,768	$15,640

FY 2013-14

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Quality Assurance and Contracts	$31,434	$0	$11,047	$4,734	$15,653

Public Authority Administration

DESCRIPTION:

This premise reflects Public Authority (PA) administrative costs for the In-Home Supportive Services (IHSS) Personal Care Services Program, the IHSS Plus Option and non-Title XIX-eligible IHSS recipients in the Residual program. Senate Bill 1780 (Chapter 206, Statutes of 1996) defined the make-up and functions of the PAs. The PAs are the employers of IHSS providers for purposes of collective bargaining over wages, hours and other terms of employment. The IHSS recipients, however, retain the right to hire, fire and supervise the work of any IHSS worker providing services to them. A county board of supervisors may elect to establish a PA to provide for the delivery of IHSS. The PAs are separate entities from the county in which they operate. Employees of PAs shall not be employees of the county for any reason.

The PAs shall, at a minimum, assist recipients in finding IHSS providers through the establishment of a registry; investigate the qualifications and background of potential providers; establish a referral system under which IHSS providers shall be referred to recipients; train providers and recipients and perform other functions related to the delivery of IHSS.

Each PA's rate includes hourly costs for wages, employer taxes, benefits and administrative costs. The PA must submit a rate approval request to the California Department of Social Services (CDSS). Once CDSS approves the request, it is submitted to the California Department of Health Care Services (DHCS) for final approval. After DHCS approves the rate, the PA is notified of the new rate at which it can claim costs.

Total PA administrative costs are reduced by 20 percent and then by a fixed amount of $8.7 million General Fund (GF) under reductions implemented on July 1, 2009.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1997, and the reduction component implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 12301 and Assembly Bill X4 1 (Chapter 1, Statutes of 2009, Fourth Extraordinary Session).
- The estimated cost is held to the Budget Act of 2012 for both Fiscal Year (FY) 2012-13 and FY 2013-14 while a new rate-setting methodology is being developed.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated cost is computed by multiplying each PA's casemonths by average hours per case and administrative hourly rates. The costs are reduced by 20 percent and then by a fixed amount of $8.7 million GF, with corresponding impacts to the federal and county shares.

Public Authority Administration

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 65 percent GF and 35 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2012-13. The slight increase in federal share for FY 2013-14 is based on updated Title XIX percentages.

REASON FOR YEAR-TO-YEAR CHANGE:

The federal share reflects updated Title XIX percentages.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Public Authority Administration	$27,015	$0	$8,850	$4,765	$13,400

FY 2013-14

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Public Authority Administration	$27,121	$0	$8,850	$4,765	$13,506

Advisory Committees

DESCRIPTION:

This premise reflects the costs of establishing and operating In-Home Supportive Services (IHSS) advisory committees as required by Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999).

AB 1682 mandated that counties establish advisory committees for IHSS purposes. Senate Bill (SB) 72 (Chapter 8, Statutes of 2011) eliminated the mandate that the state participate in IHSS advisory committees. The advisory committees are to submit recommendations to their respective county boards of supervisors on the preferred mode of IHSS service to be utilized in their counties.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2000. The elimination of the state participation mandate implemented on July 1, 2011.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) sections 12300 through 12314.
- The W&IC sections 12301.3, 12301.4 and 12302.25 were amended through SB 72.
- Assumes that all counties have established and will operate advisory committees in Fiscal Year (FY) 2012-13 and FY 2013-14.
- The state will participate in $3,000 General Fund (GF) for each of the 58 counties.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated GF cost is computed by multiplying $3,000 by the 58 counties. The total is calculated by dividing the GF amount by the GF percent-to-total.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Remaining costs are funded 100 percent GF. The federal share is reflected as a reimbursement, consistent with actual cash flow.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The FY 2013-14 increase is due to a slight increase to the Title XIX Reimbursement rate.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a slight increase to the Title XIX Reimbursement rate.

Advisory Committees

EXPENDITURES:
(in 000s)

FY 2012-13

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Advisory Committees	$345	$0	$174	$0	$171

FY 2013-14

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Advisory Committees	$347	$0	$174	$0	$173

County Employer of Record (AB 2235)

DESCRIPTION:

This premise reflects the cost of administrative activities necessary for counties to act as the employer of record for In-Home Supportive Service (IHSS) providers. Counties may choose to act as the employer of record for IHSS individual providers to achieve compliance with Assembly Bill (AB) 1682 (Chapter 90, Statutes of 1999).

AB 2235 (Chapter 1135, Statutes of 2002) further requires any county that is not in compliance with the mandates of AB 1682 to act as the employer of record (within a specified timeframe) for collective bargaining purposes. To comply, counties had to provide documentation no later than January 15, 2003, in support of compliance, or detailed information in support of delayed compliance by March 31, 2003. Counties that did not provide required documentation or meet the delayed compliance deadline automatically defaulted to act as the employer of record.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2003.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12300 through 12314 and 14132.95.
- This estimate assumes that Alpine and Tuolumne counties will act as employer of record for both Fiscal Year (FY) 2012-13 and FY 2013-14.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The estimated costs are the sum of the projected annual costs for each county.

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 70 percent General Fund and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The slight increase in FY 2012-13 and FY 2013-14 is due to an update in sharing ratios.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change in the total with a minimal change in sharing ratios.

County Employer of Record (AB 2235)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
County Employer of Record	$361	$0	$127	$55	$179

FY 2013-14

Item 111 – IHSS Administration	Total	Federal	State	County	Reimb.
County Employer of Record	$361	$0	$127	$54	$180

Program Integrity – Administrative Activities

DESCRIPTION:

This premise reflects the administrative costs of various program activities that form part of the In-Home Supportive Services (IHSS) program integrity (PI) efforts. These PI measures enhance state and county efforts to prevent fraud, identify errors and overpayments, pursue collections and detect and refer suspected incidences of fraud in the IHSS program. Savings created by the following PI administrative activities are captured in the IHSS Basic services premise.

County District Attorney (DA)/Activities: This portion of the premise reflects the costs associated with fraud prevention, detection, referral and investigation and additional program integrity efforts to enhance the IHSS program. Before participating in this program, counties must receive annual approval from the California Department of Social Services (CDSS) of their plans for using the funding to enhance IHSS integrity.

The Budget Act of 2009 established $10 million General Fund (GF) for these activities, subject to the trigger in Assembly Bill (AB) 121 (Chapter 41, Statutes of 2011) that eliminates this funding should projected GF revenues for Fiscal Year (FY) 2011-12 fall below $87.5 billion. On December 13, 2011, Governor Brown ordered that GF support for these activities be eliminated.

County Investigations: This portion of the premise reflects the costs associated with 78 county PI positions that have the authority to monitor a recipient's receipt of services and to investigate fraud in the IHSS program pursuant to the protocols of the IHSS PI measures. Activities intended to protect PI include: unannounced home visits; the review, analysis and actions related to the review of Criminal Offender Record Information (CORI) for provider enrollment; facilitation of orientations for new and existing providers and tracking and reporting fraud data. All coordinated activities to detect and prevent fraud by IHSS providers and recipients will be performed in accordance with federal and state laws and regulations.

Related Activities: This portion of the premise reflects funding for direct mailing, fraud training for county staff, mandatory orientation for all providers, reviewing and processing of CORIs and Subsequent Arrest Notifications (SAN), appeals for ineligible providers and modified Notices of Actions (NOAs) to all providers.

Provider Exclusions: This portion of the premise reflects the cost of reviewing and processing individual waivers and general exception requests from providers who have committed a violent or serious felony, as specified in Penal Code section 667.5, subdivision (c) and section 1192.7, subdivision (c). AB 1612 (Chapter 725, Statutes of 2010) established that providers subject to criminal conviction exclusions who are either new applicants or applicants whose applications were denied on the basis of a conviction and for whom an appeal of that denial is pending may request an individual waiver or general exception. An approved individual waiver allows a provider to serve the recipient associated with the individual waiver; a general exception allows a provider to provide services for multiple recipients. The general exceptions are handled through CDSS' Community Care Licensing Division.

IMPLEMENTATION DATE:

The activities included in this premise implemented on November 1, 2009, except for the following: individual waivers and general exceptions to provider exclusions implemented February 1, 2011; PI training for social workers (SW) implemented in May 2011 and direct mailings and unannounced home visits implemented in FY 2012-13.

Program Integrity – Administrative Activities

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12301.22, 12301.24, 12301.25, 12301.6, 12305.71, 12305.82, 12305.86 and 12305.87.
- Except for provider exclusions, the amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

County DA/Activities:

- Per AB 121, if FY 2011-12 GF revenues projected by the Department of Finance failed to reach $87.5 billion, Governor Brown would announce by December 15, 2011, a trigger reduction to reduce the $10 million GF budgeted for County DA/Activities. Governor Brown announced on December 13, 2011, the trigger reduction of $10 million GF funding for these activities. Beginning in FY 2011-12, the non-federal share of funding must come from the counties to the extent they opt to participate with an approved plan.

County Investigations:

- This estimate assumes that 78 county investigators will be conducting PI activities at the SW rate of $129,083 per year.

Related Activities:

- Assumes an annual cost of $35,000 GF for direct mailings in FY 2012-13 and FY 2013-14.
- Assumes an annual cost of $50,000 GF in FY 2012-13 and $100,000 GF in FY 2013-14 for fraud training for county staff.
- Assumes 125,203 new providers in FY 2012-13 and 126,746 new providers in FY 2013-14 will be impacted for the provider orientation and CORIs.
- Assumes the state will hold back $102,000 total funds in FY 2012-13 and FY 2013-14 to develop, translate and distribute a digital video disc and accompanying training materials.
- Assumes 20 percent of the total impacted provider universe will have a CORI that will require ten minutes of SW time for review. Assumes 2.6 percent of the 20 percent of providers will have a non-exemptible crime for which eight minutes of SW time will be needed to generate a notice to the provider.
- Assumes 4.1 percent of the total impacted universe of providers will have a SAN review that will require ten minutes of SW time for review. Assumes 0.2 percent of the 4.1 percent of providers will have a non-exemptible crime for which eight minutes of SW time will be needed to generate a notice to the provider.
- Assumes one hour of SW time for the review of 4.2 percent of the providers with non-exemptible crimes who will file an appeal.

Program Integrity – Administrative Activities

KEY DATA/ASSUMPTIONS (CONTINUED):

Provider Exclusions:

- Assumes 300 recipients will request individual waivers in FY 2012-13 and FY 2013-14 for providers who have exemptible crimes and that it will take 60 minutes for the counties to prepare and send notices and respond to questions for each individual waiver request.
- The postage rate is $0.47 per notice.
- Ten providers in FY 2012-13 and FY 2013-14 will have exemptible crimes and request a general exception. It will take five minutes for the counties to send a CORI to CDSS for each of these providers.

METHODOLOGY:

- **County DA/Activities:** Federal and county shares related to the previous $10 million GF allocation are first calculated using FFP, state and county share rates. The GF funding share, which has been eliminated, is then shifted to the counties.
- **County Investigations:** The assumed number of county investigators is multiplied by the annual SW rate.
- **Related Activities:** The estimated costs are computed by adding the total cost associated with direct mailings, fraud training for county staff, mandatory orientations for providers and the review and processing of CORIs and SANs and provider appeals of terminations.
- **Provider Exclusions:** The estimated cost of processing individual waivers is computed by multiplying the number of impacted providers by the cost of SW time to respond to the requests and adding mailing costs. The estimated cost of processing general exceptions is computed by multiplying the number of impacted providers by the cost of SW time to respond to the requests.

FUNDING:

- Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. Unless stated otherwise below, funding for the nonfederal costs is shared 70 percent GF and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.
- The nonfederal share of costs for reviewing and processing CORIs, SANs and provider appeals of terminations is 100 percent GF.
- The costs for processing provider exclusions are ineligible to receive FFP. The costs are split 70 percent GF and 30 percent county.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 and FY 2013-14 reflects an increase in new providers.

Program Integrity – Administrative Activities

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the removal of NOA costs which are budgeted under Case Management, Information and Payrolling System II.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Program Integrity – Administrative Activities	$42,087	$0	$4,908	$16,312	$20,867

FY 2013-14

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Program Integrity – Administrative Activities	$39,519	$0	$3,948	$15,900	$19,671

Provider Enrollment Statement Form/Process

DESCRIPTION:

This premise reflects the costs associated with revising the In-Home Supportive Services (IHSS) Provider Enrollment Statement Form (Social Services Programs [SOC] 426) to bring it into compliance with the requirements of Welfare and Institutions Code (W&IC) section 12305.81 resulting from Senate Bill (SB) 1104 (Chapter 229, Statutes of 2004). The new compliant form indicates that a person shall not be eligible to provide or receive payment for providing supportive services for ten years following a conviction for, or incarceration following a conviction, for fraud against a government health care or supportive services program, abuse of a child (Penal Code [PC] 273a), or abuse of an elder or dependent adult (PC section 368).

In accordance with the ruling of the Alameda County Superior Court in the *Beckwith v. Wagner* court case, which challenged the legality of the offenses originally identified as disqualifiers for provider eligibility, only the three aforementioned offenses could be used to prevent eligibility of a person as an IHSS provider.

IMPLEMENTATION DATE:

This premise implemented on November 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: W&IC section 12305.81 resulting from SB 1104.
- Assumes 125,203 new IHSS providers will be enrolled in Fiscal Year (FY) 2012-13.
- Assumes 126,746 new IHSS providers will be enrolled in FY 2013-14.
- The social worker (SW) unit cost is $60.55 per hour.
- In bringing the Provider Enrollment Statement Form into compliance with W&IC section 12305.81, the counties will have additional responsibilities for associated tasks, including:
  - Fifteen minutes to mail and verify forms, copy documents/identifications and schedule appointments for providers.
  - Ten minutes to resolve errors on forms, reschedule appointments and send reminders for appointments; this applies to 20 percent of providers.
  - Fifteen minutes to resolve issues for recipients when a particular provider is ineligible; this applies to 20 percent of recipients.
  - Five minutes to cross reference applicants with the ineligible provider list and place providers on the ineligible list; this applies to three percent of providers.
- The amount of federal financial participation (FFP) is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

For each activity, the number of impacted providers or recipients is multiplied by the SW rate of pay and the applicable time per activity.

Provider Enrollment Statement Form/Process

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 70 percent General Fund and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

The increase in both FY 2012-13 and FY 2013-14 reflects an increase in provider count.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects an increase in provider count.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Provider Enrollment Statement Form/Process	$3,507	$0	$1,237	$530	$1,740

FY 2013-14

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Provider Enrollment Statement Form/Process	$3,551	$0	$1,248	$535	$1,768

IHSS Plus Option (IPO) - Administration

DESCRIPTION:

In 2008, the federal Centers for Medicare and Medicaid Services informed the California Department of Social Services (CDSS) that it would not renew the In-Home Supportive Services (IHSS) Independence Plus Waiver (IPW) following its July 31, 2009, expiration date. In an effort to continue providing the same services to this same population, as well as draw down federal financial participation (FFP), CDSS worked closely with the Department of Health Care Services, and the Social Security Act (SSA) section 1915(j) State Plan Option was identified as the only alternative which allowed for the continuation of services and ability to draw down FFP.

Following a federal extension of the IPW, effective September 30, 2009, the IPW expired and will not be renewed. On October 1, 2009, the SSA section 1915(j) State Plan Option, titled the IHSS Plus Option (IPO), was implemented. The new IPO absorbed the IPW caseload and provides the same services as the IPW plus an enhanced support system.

This premise reflects the costs for activities necessary to maintain compliance with SSA section 1915(j) requirements. Implementation of the IPO requires social workers (SWs) to be trained in the concepts and methods of being support-brokers. The SWs must also complete risk management assessments for all IPO recipients to be able to identify, mitigate and assume risks. The IPO service costs are included under the IHSS Basic services premise.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 14132.952.
- In Fiscal Year (FY) 2012-13, the estimate assumes 15 minutes of SW time to complete the initial assessments of the risk management process for 21,280 recipients, or two-thirds of the current IPO program recipients. Ongoing assessments will also occur for 10,640 recipients who had their first assessment in FY 2011-12.
- In FY 2013-14, the estimate assumes no new IPO recipients will receive their first risk management assessment. Ongoing assessments will also occur for the 31,920 recipients who had their initial assessment or reassessment in FY 2012-13 at an assumed 15 minutes of SW time per reassessment.
- Assumes a SW unit cost of $60.55 per hour.
- The amount of FFP is based on the Federal Medical Assistance Percentage (FMAP) of 50 percent.

METHODOLOGY:

The cost for implementing the risk management process is determined by multiplying the amount of SW time required by the total number of IHSS IPO recipients (current and new) and the SW rate for each FY.

IHSS Plus Option (IPO) - Administration

FUNDING:

Federal funding is provided by Title XIX of the Social Security Act, with the amount of FFP based on the FMAP for those cases meeting eligibility criteria. For this estimate, funding for the nonfederal costs is shared 70 percent General Fund and 30 percent county. The federal share for administrative costs is reflected as a reimbursement, consistent with actual cash flow. The nonfederal shares do not reflect any impacts as a result of the IHSS County Maintenance of Effort (MOE). For more information on the IHSS County MOE, please see the IHSS County MOE premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2012-13. The increase for FY 2013-14 is due to a higher caseload, as the impact of eliminating recipients without a Health Care Certificate was lower than projected in the 2013-14 Governor's Budget.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a slight increase in caseload.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
IHSS Plus Option (IPO) - Administration	$484	$0	$169	$73	$242

FY 2013-14

Item 111 – IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
IHSS Plus Option (IPO) - Administration	$489	$0	$171	$73	$245

Court Cases – Item 111

DESCRIPTION:

This premise reflects the cost of court settlements and attorney fees related to adult programs, which include In-Home Supportive Services (IHSS), Cash Assistance Program for Immigrants (CAPI), Supplemental Security Income/State Supplementary Payment (SSI/SSP), Adult Protective Services (APS) and specialized services. Costs include the settlement of lawsuits pertaining to local assistance in accordance with Budget Letter 98-22 and instructions from the Department of Finance.

KEY DATA/ASSUMPTIONS:

This estimate is based on actual payments for cases in Fiscal Year (FY) 2012-13 and the California Department of Social Services (CDSS) Legal Division's projection of costs to be paid in both FY 2012-13 and FY 2013-14.

METHODOLOGY:

The estimated costs of known and anticipated settlements and attorney fees related to the IHSS, CAPI, SSI/SSP, APS and specialized services programs are reflected in this premise.

FUNDING:

Costs for case settlement and attorney fees are funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 and FY 2013-14 reflects the latest projected settlements and attorney fees from the CDSS Legal Division.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the latest projected settlements and attorney fees from the CDSS Legal Division.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Court Cases	$451	$0	$451	$0	$0

FY 2013-14

Item 111 – IHSS Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Court Cases	$290	$0	$290	$0	$0

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In-Home Supportive Services (IHSS) County Maintenance of Effort (MOE) – Services and Administration

DESCRIPTION:

This premise establishes a MOE level for the county share of IHSS service and administrative costs in lieu of counties paying a fixed percentage share. Total service and administrative costs that exceed the county MOE will be shifted to 100 percent General Fund (GF).

Most counties' MOE levels are based on Fiscal Year (FY) 2011-12 county allocations. For 15 selected small counties, the MOE is based on either the FY 2011-12 county allocations or FY 2011-12 county expenditures, whichever is lower.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare & Institutions Code section 12306.15 as amended by Assembly Bill 1471 (Chapter 439, Statutes of 2012) and Senate Bill 1036 (Chapter 45, Statutes of 2012).
- The line entitled "IHSS County MOE", is a non-add line that establishes the county expenditure threshold. This will not be adjusted from the FY 2011-12 base year until FY 2014-15.
- The line entitled "MOE Shift to GF" identifies the shift of funds to the GF from the counties (County and Reimbursements column) due to the projected county service and administrative expenditures in excess of the MOE.
- Beginning July 1, 2014, the IHSS County MOE base will be increased by an annual 3.5 percent inflation unless 1991-92 State-Local Realignment revenues received for the prior fiscal year are less than the revenues received two years prior. These provisions ensure that the inflation factor is not applied to a county's MOE base during an economic downturn.
- To the extent an increase in wages or health benefits becomes effective on a day other than July 1, the MOE will be adjusted to include the estimated annualized cost of the increase.

METHODOLOGY:

The base MOE amounts for services and administration were determined using FY 2011-12 expenditures. These amounts establish the thresholds against which the total county expenditures (services plus administration) are compared to determine the shift to GF.

In-Home Supportive Services (IHSS) County Maintenance of Effort (MOE) – Services and Administration

FUNDING:

This premise reflects a shift in funding from county expenditures to GF when the total estimated county share of IHSS service and administrative costs exceeds the county MOE. There is no impact to the federal share. The county share of funding is established by the baseline FY 2011-12 county allocation. Savings due to the Community First Choice Option have been included in the county allocation. The IHSS County MOE non-add line displays county share of service costs under reimbursements.

CHANGE FROM PRIOR SUBVENTION:

The increase in the MOE Shift to GF in both FY 2012-13 and FY 2013-14 reflects increased IHSS Basic Service Costs, which is the result of higher cost per case and average hours. The IHSS County MOE non-add line decreased to reflect the MOE requirement as distributed with County Fiscal Letter No. 12-13/28.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in the shift to MOE Shift to GF reflects higher projected IHSS county service expenditures after all reductions and adjustments are accounted for.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 111- IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
MOE Shift to GF	$0	$0	$47,535	-$12,878	-$34,657
IHSS County MOE*	912,775	0	0	59,766	853,009

FY 2013-14

Item 111- IHSS	**Total**	**Federal**	**State**	**County**	**Reimb.**
MOE Shift to GF	$0	$0	$76,526	-$14,400	-$62,126
IHSS County MOE*	912,775	0	0	59,766	853,009

*Reflects a non-add line to display the MOE threshold requirement.

CalFresh Administration

DESCRIPTION:

This premise reflects the administrative costs for Non-Assistance CalFresh (NACF). Historically, the budget for county administration was based on counties' administrative budget requests made through a Proposed County Administrative Budget (PCAB) process, modified by a cost containment system consistent with Welfare and Institutions Code (W&IC) section 14154. Beginning with Fiscal Year (FY) 2001-02, the PCAB process was suspended and the last PCAB process, FY 2000-01, established the base from which future costs are determined. The base has been adjusted each successive subvention process for caseload changes and other factors.

This premise has been consolidated to include historical fund shifts and reductions from the CalFresh Administration Reduction Public Law 105-185, the NACF Reduction and recent Governor's Base Funding Veto. In addition, this premise includes updated assumptions for the following premise items: *Be Vu v. Mitchell* and Semiannual Reporting (SAR) Mailing/Notifications. Detailed descriptions of these premises can be referenced in the 2012 May Revision, Estimate Methodologies.

KEY DATA/ASSUMPTIONS:

CalFresh Administration

- Authorizing statute: W&IC section 14154.
- The NACF administrative costs in FY 2012-13 are held to the 2012 November Estimate and include a one-time Base Veto reduction of $62.8 million ($23.0 million General Fund [GF]) and costs for the Transitional CalFresh Recertification premise of $251,000 ($92,000 GF).
- In the FY 2013-14 estimate, it is assumed that the Transitional CalFresh Recertification premise is included in the CalFresh caseload trend.
- The FY 2013-14 includes $25.0 million in reimbursement due to a change in Federal Financial Participation for Nutrition Education.
- The NACF administrative costs base for FY 2013-14 is $1,401.0 million.
- The NACF caseload growth projection is 10.79 percent in FY 2013-14, resulting in an increase of $151.1 million.
- Staff development costs for NACF are $14.4 million for FY 2013-14, based on FY 2011-12 actual expenditures.
- Statewide Automated Welfare System development and testing Interface costs for NACF are $230,000.
- Contract costs for NACF are $3.3 million.
- The Merced Automated Global Information Control (MAGIC) system administrative costs for NACF are $97,000.
- Savings from Legacy System data collection and quality control systems for NACF are $3.9 million.
- The NACF Reduction is $21.0 million.

CalFresh Administration

KEY DATA/ASSUMPTIONS (CONTINUED):

- The CalFresh Administration Reduction shifts $58.8 million in funding from federal to state.

Be Vu v. Mitchell

- Authorizing statute: Federal Supplemental Nutrition Assistance Program Regulations Title 7, Code of Federal Regulations sections 272.4 (b)(2)(i), (ii) and (iii).
- Implemented with the settlement agreement effective December 4, 2006, which requires that CalFresh forms be translated into additional languages.
- Automation reprogramming is not scheduled for the final eight languages; therefore, additional staff time is necessary for form translation.
- *Be Vu v. Mitchell* base funding is $95,081 in FY 2012-13 and $106,093 in FY 2013-14.
- It is assumed the CalFresh caseload will increase by 10.8 percent in FY 2013-14.

CalFresh Senate Bill (SB) 1041 and SAR Mailing/Notifications

- A general notification will be provided to all CalFresh recipients in FY 2012-13 and FY 2013-14 to inform them of changes relating to SAR.
- The cost of the mailers is estimated to be $0.49 per recipient.

METHODOLOGY:

CalFresh Administration

- The amount for CalFresh administrative costs in FY 2012-13 was held to the 2012 November Estimate.
- The NACF base funding is adjusted for caseload growth, staff development expenditures, SAWS development and integration, MAGIC system costs, contract costs and Legacy Systems savings.
- The base funding is further adjusted for NACF Reduction and CalFresh Administration Reduction shift.

Be Vu v. Mitchell

Total costs associated with the manual completion of the translated forms are calculated by multiplying the base cost by the caseload increase and adding the growth to the base cost.

SAR Mailing/Notifications

The costs of mailers are calculated as caseload multiplied by the number of mailings and then by $0.49 per mailer.

FUNDING:

The CalFresh Administration and *Be Vu v. Mitchell* costs are funded 49.5 percent Food and Nutrition Service Fund (FNS), 36.5 percent GF and 14.0 percent county.

The SAR Mailing/Notification costs are funded 50.0 percent FNS Fund and 50.0 percent GF.

CalFresh Administration

CHANGE FROM PRIOR SUBVENTION:

CalFresh Administration

CalFresh Administration is held to the 2012 November Estimate for FY 2012-13. The decrease in FY 2013-14 reflects lower caseload growth than previously anticipated.

Be Vu v. Mitchell

The decrease in FY 2012-13 and FY 2013-14 reflects lower caseload growth than previously anticipated.

CalFresh SB 1041 and SAR Mailing/Notifications

There is no change for FY 2012-13. The increase for FY 2013-14 is to send notices to inform annual reporting/child-only (AR/CO) change reporting (CR) CalFresh cases of the move from CR to SAR.

REASON FOR YEAR-TO-YEAR CHANGE:

CalFresh Administration

The increase is associated with projected NACF caseload growth for FY 2013-14 and the base veto not applying in FY 2013-14.

Be Vu v. Mitchell

The caseload is projected to increase in FY 2013-14.

CalFresh SB 1041 and SAR Mailing/Notifications

The majority of the mailings and notifications for SAR will be sent in FY 2012-13, with the remainder related to AR/CO CR CalFresh cases sent in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalFresh Admin	$1,394,638	$629,780	$567,380	$197,478	$0
Be Vu v. Mitchell	106	52	39	15	0
SAR Mailing/Notifications	798	399	399	0	0

FY 2013-14

Item 141 - CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalFresh Admin	$1,570,240	$704,308	$621,428	$219,504	$25,000
Be Vu v. Mitchell	118	58	43	17	0
SAR Mailing/Notifications	116	58	58	0	0

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County MOE Requirement/County Match Waiver

DESCRIPTION:

This premise reflects the reduction in funding match for CalFresh administration costs as a result of the county match waiver. Historically, counties had been responsible for funding 15 percent of CalFresh administrative costs, including expenditures above the county Maintenance-of-Effort (MOE) requirement. However, the unprecedented and unanticipated CalFresh caseload growth associated with the economic decline beginning in 2008 created substantial fiscal pressures on the counties. To provide fiscal relief, pursuant to Welfare and Institutions Code (W&IC) section 18906.55, a county that meets the MOE requirement entirely through expenditures for the administration of the CalFresh program shall receive the full General Fund (GF) allocation for administration of the CalFresh program but will not need to pay the county's share of administrative costs above the MOE. Counties are still required to meet the MOE requirements pursuant to W&IC section 15204.4, and failure to meet this required level of spending will result in a proportionate reduction of the funds provided under W&IC section 15204.2.

The county match waiver has been in place from Fiscal Year (FY) 2010-11 through FY 2012-13, per W&IC section 18906.55. The 2013-14 Governor's Budget proposes to extend the waiver through FY 2013-14.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2010. The Budget Act of 2012 extends the county match waiver through June 30, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing Statute: W&IC section 18906.55.
- Counties that meet the MOE requirement entirely through CalFresh administrative costs may access the GF allocation, but will not be required to contribute a county share of costs for administrative costs beyond the MOE.
- The county match waiver is effective in FY 2012-13. The 2013-14 Governor's Budget proposes to continue the waiver flexibility for counties through FY 2013-14.
- The historical methodology used for determining the CalFresh administration GF allocation need remains unchanged.
- The historical statewide county MOE requirement is approximately $140 million.
- The decrease in the county share of administrative costs as a result of the county match waiver results in a corresponding decrease in federal matching funds.
- For illustrative purposes, this premise reflects all counties fully utilizing the match waiver flexibility.

METHODOLOGY:

The decrease in county funds and federal matching funds for CalFresh administrative services is computed by taking the difference in what the counties would have been required to pay under the historical allocation methodology and how much the counties will pay if they fully utilize the MOE waiver.

County MOE Requirement/County Match Waiver

FUNDING:

This premise assumes 50 percent Food and Nutrition Service funds and 50 percent county share.

CHANGE FROM PRIOR SUBVENTION:

The decrease in federal and county savings in FY 2012-13 is primarily due to delayed implementation of the School Lunch Program and a decrease in the county share for the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS).

The decrease in savings in FY 2013-14 is due to lower projected caseload growth, a decrease in the county share for LRS and a decrease in costs for Annual Reporting/Child-Only (AR/CO) due to the conversion Non-Assistance CalFresh cases with an associated CalWORKs child-only case from change reporting to semiannual reporting beginning October 1, 2013.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in savings is due to projected caseload growth and restoration of the $63 million that was vetoed in FY 2012-13, offset by the impact of holding CalFresh administration to the 2012 November Estimate for FY 2012-13.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
County MOE Requirement	-$163,429	-$81,714	$0	-$81,715	$0

FY 2013-14

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
County MOE Requirement	-$200,874	-$100,437	$0	-$100,437	$0

CalFresh Employment and Training (E&T)

DESCRIPTION:

This premise reflects costs for CalFresh E&T (formerly the Food Stamp Employment and Training program), which provides job search assistance, work experience and supportive services to eligible Non-Assistance CalFresh program recipients. This program was established under the Food Security Act of 1985 (Public Law [PL] 99-198). The E&T opportunities enable recipients to become self-sufficient and reduce their need for food benefits. Some participants are geographically excluded due to reasons such as sparse population, great distances and lack of transportation. Individual county plans are developed that specify the job services, training and supportive services available to participants. This program is optional for counties.

IMPLEMENTATION DATE:

This premise implemented on April 1, 1987.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18926.5.
- There are 26 counties participating in the E&T program in Federal Fiscal Year (FFY) 2013.
- The conditional federal funding for FFY 2013 is used to estimate the funding for FY 2013-14.
- It is assumed that the normal fund will be used once the costs exceed the 100 percent federal grant and would be shared 50 percent federal and 50 percent county.
- Participant reimbursement includes funds for transportation, ancillary costs and dependent care.
- Workers' compensation costs are included in the 100 percent federal grant ($408,000 in FFY 2012 and $404,000 in FFY 2013).

METHODOLOGY:

- The FY 2012-13 funding level represents 25 percent of the total amount of the approved FFY 2012 E&T program's State Plan and 75 percent of the total amount of the approved FFY 2013 E&T program's State Plan.
- The FY 2013-14 estimates are based on the anticipated funding level for FFY 2013.

FUNDING:

Enhanced Funding is 100 percent federal funds as it is 100 percent federal grant. Normal funding and participant reimbursement are shared 50 percent federal and 50 percent county.

FY 2012-13: (in 000s)	Total	Federal	State	County
Total	**$89,543**	**$47,645**	**$0**	**$41,898**
Enhanced Funding	5,745	5,745	0	0
Normal Funding	61,801	30,901	0	30,900
Participant Reimbursement	21,997	10,999	0	10,998

CalFresh Employment and Training (E&T)

FUNDING (CONTINUED):

FY 2013-14: (in 000s)	Total	Federal	State	County
Total	**$90,825**	**$48,170**	**$0**	**$42,655**
Enhanced Funding	5,514	5,514	0	0
Normal Funding	62,979	31,490	0	31,489
Participant Reimbursement	22,332	11,166	0	11,166

CHANGE FROM PRIOR SUBVENTION:

- Enhanced Funding: The increases in FY 2012-13 and FY 2013-14 reflect updated funding amounts.
- Normal Funding and Participant Reimbursement: There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

- Enhanced Funding: The decrease is primarily due to the American Taxpayer Relief Act of 2012, which reduced the 100 percent federal allocation distributed among states from $90 million to $79 million in FFY 2013.
- Normal Funding and Participant Reimbursement: The increases reflect updated approved funding.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Employment and Training Program	$89,543	$47,645	$0	$41,898	$0

FY 2013-14

Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Employment and Training Program	$90,825	$48,170	$0	$42,655	$0

Outreach

DESCRIPTION:

The goal of the CalFresh Outreach Plan is to increase CalFresh participation. The California Department of Social Services (CDSS) and the California Department of Public Health's (CDPH's) Network for a Healthy California operate under a multi-year strategic plan to achieve this goal through an interagency agreement for the purpose of submitting a Supplemental Nutrition Assistance Outreach Plan to the United States Department of Agriculture (USDA).

IMPLEMENTATION DATE:

The CalFresh Outreach Plan implemented on October 1, 2004.

KEY DATA/ASSUMPTIONS:

- Federal funding is provided by the USDA's Food and Nutrition Service (FNS).
- The approved federal funding for Federal Fiscal Year (FFY) 2013 is used to estimate the funding for Fiscal Year (FY) 2012-13.
- The conditional federal funding for FFY 2014 is used to estimate the funding for FY 2013-14.

METHODOLOGY:

- The federal funding received is distributed to the program based on agreements between CDSS and the state and local entities.
- The FY 2012-13 estimates are based on the approved funding for FFY 2013.
- The FY 2013-14 estimates are based on the anticipated funding level for FFY 2014.
- The FY 2013-14 funding reflects the transfer of program management responsibility for CalFresh Outreach from CDPH to CDSS.

FUNDING:

The CDSS pass-through is 100 percent FNS federal funds.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 is due to FNS approval of an addition of $495,000 to the 2011 San Diego contract.

The decrease in FY 2013-14 reflects the transfer of program management responsibility for CalFresh Outreach from CDPH to CDSS, slightly offset by FNS approval of an addition of $550,000 to the 2011 San Diego contract.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects updated funding amounts for FY 2013-14 as well as FNS approval of an addition of $550,000 to the 2011 San Diego contract.

Outreach

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Outreach	$13,299	$13,299	$0	$0	$0

FY 2013-14

Item 141 – CalFresh Administration	Total	Federal	State	County	Reimb.
Outreach	$13,505	$13,505	$0	$0	$0

Nutrition Education

DESCRIPTION:

This premise consolidates the funding for the following three programs for which the California Department of Social Services (CDSS) serves as a "pass-through" for federal funds. For Federal Fiscal Year (FFY) 2013, CDSS retained a portion of the annual FFY 2012 and FFY 2013 Supplemental Nutrition Assistance Program Education (SNAP-Ed) allocation, which can be spent over two years, to provide funding to counties to administer nutrition education at the local level, targeting their CalFresh and CalFresh-eligible populations in a variety of allowable ways.

California Department of Public Health's (CDPH) Network for a Healthy California (Network)

This portion of the premise reflects the funding that CDSS passes through to the CDPH for the Network. The Network is a statewide collaboration of public and nonprofit agencies working together to promote healthy eating and physical activity among CalFresh recipients and low-income Californians who are potentially eligible for CalFresh.

University of California at Davis CalFresh Nutrition Education Program (UC-CalFresh)

This portion of the premise reflects the funding that CDSS passes through to UC-CalFresh to provide nutrition education services to CalFresh recipients and to low-income Californians who are potentially eligible for CalFresh. Services are mainly provided to schools where at least half the students receive free or reduced-priced meals and to low-income adults in classroom settings.

CDSS Nutrition Education Projects

This portion of the premise includes funding for projects such as the County Welfare Department (CWD)/Local Health Department (LHD) Expansion and CalFresh Innovative Projects. The CWD/LHD Expansion reflects a partnership between CWDs and LHDs to provide community nutrition interventions and educate CalFresh participants on making healthier food choices. The Innovative Projects reflect partnerships with local community-based organizations, University of California Extensions, food banks, the Department of Aging and other entities to find innovative ways to provide nutrition education to CalFresh participants. The CWD/LHD Expansion and Innovative Projects were funded with FFY 2012 carry-over SNAP-Ed dollars. The CDSS also embarked on a new partnership with the California Department of Food and Agriculture (CDFA) utilizing FFY 2013 SNAP-Ed dollars to engage the Division of Fairs and Expositions at CDFA in local community SNAP-Ed interventions aimed at improving the health of the SNAP-Ed target population.

IMPLEMENTATION DATE:

The CDPH Network implemented on October 1, 1996. The UC-CalFresh implemented on January 1, 1995. The CWD/LHD Expansion for Community Nutrition Pilot implemented on November 9, 2011. The Innovative Projects implemented on March 1, 2012.

KEY DATA/ASSUMPTIONS:

- Federal funding is provided by the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture.
- For each of the programs, the approved federal funding for FFY 2013 is used to estimate the funding for Fiscal Year (FY) 2012-13.

Nutrition Education

KEY DATA/ASSUMPTIONS (CONTINUED):

- For each of the programs, the conditional federal funding for FFY 2014 is used to estimate the funding for FY 2013-14.

METHODOLOGY:

- The federal funding received is distributed to the three programs based on agreements between CDSS and the state and local entities.
- The FY 2012-13 estimates are based on the approved funding for FFY 2013. The FY 2012-13 funding for CDSS Projects consists of a FFY 2012 carry-over of $11,290,575 and a funding amount of $2,546,874 in FFY 2013. This brings the total funding amount to $13,837,449 in FY 2012-13.
- The FY 2013-14 estimates are based on the anticipated funding level for FFY 2014.

FUNDING:

The CDSS pass-through is 100 percent FNS federal funds.

CHANGE FROM PRIOR SUBVENTION:

The overall decrease in FY 2012-13 is primarily due to a reduction in federal funding resulting from the American Taxpayer Relief Act of 2012 (H.R. 8).

The decreases in CDPH Network and CDSS Projects in FY 2013-14 reflect updated funding amount. There is no change for UC-CalFresh in FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

CDPH Network and UC-CalFresh: The increase reflects updated funding amounts and is not impacted by reductions in H.R. 8.

CDSS Projects: The decrease reflects updated funding amounts and does not include any carry-over.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Nutrition Education	**$115,991**	**$115,991**	**$0**	**$0**	**$0**
CDPH Network	95,568	95,568	0	0	0
UC-CalFresh	6,586	6,586	0	0	0
CDSS Projects	13,837	13,837	0	0	0

Nutrition Education

EXPENDITURES (CONTINUED):

(in 000s)

FY 2013-14

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Nutrition Education	**$136,033**	**$136,033**	**$0**	**$0**	**$0**
CDPH Network	116,005	116,005	0	0	0
UC-CalFresh	8,184	8,184	0	0	0
CDSS Projects	11,844	11,844	0	0	0

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CalFresh ReFresh Modernization

DESCRIPTION:

This premise reflects the implementation of various CalFresh ReFresh modernization proposals. The California Department of Social Services (CDSS) is planning for additional program simplification, removal of access barriers, reduction of administrative complexity and additional linkages with and coordination among other state assistance programs. Through this modernization effort, CDSS also intends to achieve stronger support for nutritious food choices and nutrition education and greater encouragement of program innovations.

CalFresh Refresh consists of several different proposals, such as waiving interviews at recertification for elderly or disabled households, waiving face-to-face interviews during intake and emailing notifications to applicant and recipient households.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- This premise assumes that any costs resulting from CalFresh ReFresh modernization are offset by administrative savings and economic benefit to the state that may result from increased CalFresh participation.

<u>Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings</u>

- The estimate assumes an April 2013 implementation.
- Based on Federal Fiscal Year 2011 Research and Development Enterprise Project data, this premise assumes that 3.16 percent of Non-Assistance CalFresh (NACF) cases are senior (aged 60 or older) or disabled households with no earned income.
- The NACF caseload is estimated to be 1,575,000 for Fiscal Year (FY) 2012-13 and 1,745,000 in FY 2013-14.
- The cost of annual recertification is assumed to be $36.92, and implementing the face-to-face waiver would reduce recertification time by half ($18.46) for these cases.
- The impact to the California Food Assistance Program (CFAP) is approximately one percent of NACF administrative savings.

<u>Implement the Face-to-Face Waiver at Intake Statewide</u>

- Currently, counties have the option to conduct a telephone or other out-of-office interview in lieu of a face-to-face interview at application for NACF households. Based on a county survey in 2011, 43 counties had implemented the waiver.
- The remaining 15 counties began waiving the face-to-face interview at intake July 1, 2012.
- It is assumed that removing the face-to-face interview requirement would result in a CalFresh increase of approximately 2,190 new cases in FY 2012-13.

CalFresh ReFresh Modernization

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on the most recent 12 months of CalFresh benefit expenditures (January 2012 through December 2012), NACF households are estimated to have an average CalFresh benefit of $329.43.
- The estimate assumes that every dollar of food benefit provided to households as a result of this proposal frees up an additional dollar in the household's budget for other food or taxable goods, which generates tax revenues to the state and local government. The resulting offsetting benefit is assumed to be $0.02 for every dollar of food benefit.

Electronic Notifications

- Based on cost estimates from the Statewide Automated Welfare System (SAWS) Consortia, the automation costs associated with emailing notifications to CalFresh households would total $2.71 million for FY 2013-14. There would be no automation costs in FY 2012-13.
- The Food and Nutrition Service (FNS) has approved waiver requests to issue electronic client notices and requests. These waivers would allow households to receive notices electronically through a secured automated electronic notification system.
- Electronic notifications will reduce postage costs and allow clients to review time-sensitive requests immediately with fewer security concerns.

METHODOLOGY:

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

- Savings attributed to waiving of interviews during recertification are calculated by multiplying the caseload by 3.16 percent and then by the cost savings of $18.46, resulting in cost savings of $232,000 in FY 2012-13 and $1.03 million in FY 2013-14.

Implement the Face-to-Face Waiver at Intake Statewide

- The assumed additional 2,190 annual households would generate increases in total face-to-face waiver CFAP grant costs of $47,000 in FY 2012-13 and $84,000 in FY 2013-14, CFAP administration costs of $3,000 in FY 2012-13 and $4,000 in FY 2013-14 and CalFresh administration costs of $291,000 in FY 2012-13 and $385,000 in FY 2013-14. The total increased costs would be $341,000 in FY 2012-13 and $473,000 in FY 2013-14.
- The economic benefit is calculated by multiplying the cumulative casemonths over the fiscal year by the average benefit and then by the $0.02 economic benefit, resulting in offsets to the General Fund (GF) of approximately $91,000 for FY 2012-13 and $169,000 for FY 2013-14.
- The savings associated with the face-to-face waiver are not reflected in the budget, but are considered when calculating the total savings available to offset the cost of other CalFresh ReFresh modernization proposals.
- See the Face-to-Face Waiver premise description for more information.

CalFresh ReFresh Modernization

METHODOLOGY (CONTINUED):

Electronic Notifications

- The cost for programming e-mail notifications to clients in FY 2013-14 is estimated to be $2.71 million based on cost estimates from the SAWS Consortia.

FUNDING:

Waive Interview at Recertification for Households in Which All Adults are Elderly or Disabled Without Earnings

- The CalFresh savings ratio for administrative savings associated with waiving interviews for seniors is 50 percent FNS fund, 35 percent GF and 15 percent county.
- The CFAP funding is 100 percent GF.

Implement the Face-to-Face Waiver at Intake Statewide

- The CalFresh sharing ratio for the administrative cost is 50 percent FNS fund, 35 percent GF and 15 percent county.
- The CFAP funding is 100 percent GF.
- The economic benefit from waiving face-to-face interviews would be 100 percent GF savings. However, this is not reflected in the budget as it is not a direct savings to the CDSS CalFresh Program.

Electronic Notifications

- The funding for the automation is 50 percent FNS fund, 35 percent GF and 15 percent county.

CHANGE FROM PRIOR SUBVENTION:

The decreased savings in FY 2012-13 is due to delayed implementation of the interview waiver for the elderly or disabled at recertification and decreased caseload growth. The decreased savings in FY 2013-14 is due to decreased caseload growth.

There is no change for automation in FY 2012-13. Automation costs increased in FY 2013-14 due to additional automation required for programming e-mail notifications.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2013-14 represents full-year savings for waiving interviews for the elderly or disabled households at recertification and automation costs for all three SAWS Consortia implementing e-mail notifications.

CalFresh ReFresh Modernization

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 - County Admin and Automation Projects 16.75	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalFresh ReFresh Modernization	-$232	-$115	-$83	-$34	$0
CalFresh ReFresh Modernization Automation	0	0	0	0	0

FY 2013-14

Item 141 - County Admin and Automation Projects 16.75	**Total**	**Federal**	**State**	**County**	**Reimb.**
CalFresh ReFresh Modernization	-$1,028	-$509	-$366	-$153	$0
CalFresh ReFresh Modernization Automation	2,710	1,355	949	406	0

Senior Nutrition (AB 69)

DESCRIPTION:

This premise allows counties to simplify the CalFresh enrollment process for low-income seniors, pursuant to Assembly Bill (AB) 69 (Chapter 502, Statutes of 2011). To the extent permitted by federal law or other federal authority, counties will be allowed to utilize information maintained by the federal Social Security Administration (SSA) regarding low-income social security benefit recipients to develop a streamlined application or simplify the application process in the CalFresh program for these recipients. This is an optional county program. Those counties choosing to participate must have either the existing capacity to receive the information or the ability to adapt their existing automation systems without significant changes or costs to the state or county.

IMPLEMENTATION DATE:

This premise implemented February 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: AB 69 and Welfare and Institutions Code section 18924.
- The budgeted amount for Fiscal Year (FY) 2012-13 is held to the 2012 November Estimate.
- There is no funding for FY 2013-14 as this premise no longer reflects the original scope due to federal restrictions on sharing of SSA data for this purpose. Any counties outreaching to this population will pursue implementation using existing outreach funds rather than through the process prescribed by AB 69.
- It is assumed that implementation will begin in February 2013 and eligible cases will be phased in through July 2013.
- Based on analysis by the California Food Policy Advocates (CFPA), there are currently approximately 440,000 California households that include a social security recipient (aged 60 or older) who is eligible for CalFresh benefits.
- Of the 440,000 eligible households, it is assumed that approximately five percent (22,000 households) are currently receiving CalFresh benefits, based on the CFPA analysis.
- Based on a 2012 county survey, counties representing approximately 40 percent of the Non-Assistance CalFresh (NACF) caseload have expressed interest in participating. It is assumed that these counties would participate in the simplification of the enrollment process, resulting in approximately 169,000 potentially eligible senior households.
- If outreach efforts are successful, it is estimated that approximately 25,000 applicants will apply for CalFresh.
- Based on the California Work Opportunity and Responsibility to Kids experience reported on the DFA 296, approximately 68 percent of applicants are eligible to receive CalFresh benefits.
- Similar to the participation rate among seniors in California, it is assumed that 10 percent of eligible senior households in the participating counties would potentially enroll in the CalFresh program (approximately 17,000 participating households).

Senior Nutrition (AB 69)

KEY DATA/ASSUMPTIONS (CONTINUED):

- Based on data from the CFPA analysis, it is assumed that 76 percent of eligible households contain one person and 24 percent of households contain two or more persons. All applicants will have intake costs within the first six months of implementation. With full implementation by August 2013, it is assumed that intake costs after full implementation are for new applicants. After the phase-in period, it is estimated that approximately four percent of the caseload will leave monthly and four percent will enter monthly.
- The intake cost for an Eligibility Worker to process a NACF case is $51.00 per case.
- It is assumed that households that become eligible are change reporters and that each household would report one change per year.
- It is assumed that 50 percent of the ongoing cases would report a change in the first year of implementation.
- The annual cost of an Eligibility Worker to process NACF continuing cases is $39.33 per case.
- It is assumed that there will be no California Food Assistance Program impact as it is assumed there would be no recent non-citizens in the SSA recipient population.
- The average statewide CalFresh benefit is assumed to be $147.68 per individual and $295.36 per household of two.

METHODOLOGY:

- The initial administrative intake cost is determined by multiplying the number of eligible senior applicants by the intake costs per applicant and then by five months of the fiscal year.
- The administrative cost for continuing cases is determined by multiplying the average ongoing cases by 50 percent and applying the annual cost of $39.33.

FUNDING:

The administrative costs for the CalFresh program are funded 50 percent Food and Nutrition Service fund, 35 percent General Fund and 15 percent county fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no funding for FY 2013-14 as this premise no longer reflects the original scope.

Senior Nutrition (AB 69)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Senior Nutrition (AB 69)	$1,221	$611	$427	$183	$0

FY 2013-14

Item 141 – CalFresh Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Senior Nutrition (AB 69)	$0	$0	$0	$0	$0

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County Expense Claim Reporting Information System (CECRIS)

DESCRIPTION:

This premise reflects the replacement of the existing County Expense Claim (CEC) and County Assistance Claim (CA-800) databases with a new web-based application. The existing CEC and CA-800 and their supporting business processes have gone beyond their functional capacity and currently present a significant risk of system failure. The new CECRIS will improve data access and analysis and the accuracy of administrative and assistance expenditure data for all 58 counties in California. Automating these processes will also ensure that all costs are reimbursed in accordance with federal cost allocation requirements.

IMPLEMENTATION DATE:

This premise implemented on February 14, 2012.

KEY DATA/ASSUMPTIONS:

- The development of CECRIS began in Fiscal Year (FY) 2012-13 and will be completed in FY 2016-17.
- There has been a three-month delay in the procurement phase of the project.
- The total amount of projected funds needed to develop the new system is $134,000 in FY 2012-13 and $356,000 in FY 2013-14.
- The funded project activities include an interagency agreement with the Office of Systems Integration, contracted services for procurement support, system development and independent validation and verification.
- The new system will benefit most of the programs administered by the California Department of Social Services (CDSS) and a subset of the Medi-Cal program costs that are claimed through the county administrative expense claim.

FUNDING:

The CECRIS funding comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of the Supplemental Nutrition Assistance Program and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through the Department of Health Care Services' budget. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids program is funded entirely by the Temporary Assistance for Needy Families (TANF) program block grant. The non-federal funding is General Fund. Statewide Automated Welfare System-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM PRIOR SUBVENTION:

The decrease in FY 2012-13 is due to delays in the procurement phase of the project. The increase in FY 2013-14 is based on the actual contract amount.

County Expense Claim Reporting Information System (CECRIS)

REASON FOR YEAR-TO-YEAR CHANGE:

The increase is due to a full year of costs.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 - Automation	Total	Federal	State	County	Reimb.
CECRIS	$134	$70	$57	$0	$7

FY 2013-14

Item 141 - Automation	Total	Federal	State	County	Reimb.
CECRIS	$356	$185	$153	$0	$18

SB 1041 Automation

DESCRIPTION:

This premise reflects implementation of policy changes reflected in Senate Bill (SB) 1041 (Chapter 47, Statutes of 2012). SB 1041 redesigns the California Work Opportunity and Responsibility to Kids (CalWORKs) program by creating a new Welfare-to-Work 24-Month Time Clock with the possibility of grant extensions, restoring the $225 Earned Income Disregard, implementing annual reporting for a subset of the CalWORKs caseload and change reporting for a subset of the CalFresh caseload and creating a new CalWORKs exemption for a parent or caretaker relative personally providing care to a child from birth through 23 months of age.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes began in Fiscal Year (FY) 2012-13 and will be completed in FY 2013-14.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: SB 1041.
- This premise reflects automation costs only.
- The program changes affected by SB 1041 are displayed separately within their own premise documents. See the following premises for specific key data and assumptions:
    - Welfare-to-Work Services (SB 1041)
    - CalWORKs Employment Services
    - Earned Income Disregard Restoration
    - Annual Reporting/Child-Only

METHODOLOGY:

Funding required for the SB 1041 changes is based on cost estimates from the CalWORKs Information Network, Consortium-IV and the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting system (the CalWORKs automation consortia).

FUNDING:

Automation attributed to CalFresh change reporting is funded at 50 percent General Fund and 50 percent federal (Food and Nutrition Service) funds. Automation attributed to the remaining CalWORKs changes is 100 percent Temporary Assistance to Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

The decrease in cost in FY 2012-13 is due to the shift of a portion of automation changes to FY 2013-14. Automation costs in both FY 2012-13 and FY 2013-14 have also been updated based on further clarification of programmatic changes due to SB 1041.

SB 1041 Automation

REASON FOR YEAR-TO-YEAR CHANGE:

The slight decrease in FY 2013-14 is due to updated estimates of automation changes.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 – Automation	Total	Federal	State	County	Reimb.
CalWORKs SB 1041 Automation	$5,010	$4,886	$124	$0	$0

FY 2013-14

Item 141 – Automation	Total	Federal	State	County	Reimb.
CalWORKs SB 1041 Automation	$4,995	$4,995	$0	$0	$0

Overpayment Recoveries Automation

DESCRIPTION:

This premise represents automation costs for eliminating overpayment collections from minors who move from one California Work Opportunity and Responsibility to Kids assistance unit (AU) to another. If an AU incorrectly receives a higher-than-allowed assistance payment, the AU is considered to have received an overpayment and is required to pay back the grant overage. The repayment will be collected from aided adults who were the responsible adults in the original AU. This policy change is in response to the *Hartley v. Lightbourne* court case regarding overpayment collections from minors. Overpayments may be collected through a reduced future grant, tax intercepts or collections.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes beginning in Fiscal Year (FY) 2012-13.

KEY DATA/ASSUMPTIONS:

This premise reflects automation costs only.

METHODOLOGY:

Based on historical comparable cost estimates from the Statewide Automated Welfare System (SAWS) Consortia, the projected FY 2012-13 automation costs are approximately $500,000. However, this amount is no longer needed, as it can be absorbed within the SAWS maintenance and operations budget.

FUNDING:

The funding for the automation is 100 percent Temporary Assistance for Needy Families funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

	FY 2012-13				
Item 141 – Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
Overpayment Recoveries Automation	$0	$0	$0	$0	$0

Overpayment Recoveries Automation

EXPENDITURES (CONTINUED):
(in 000s)

Item 141 – Automation	Total	Federal	State	County	Reimb.
			FY 2013-14		
Overpayment Recoveries Automation	$0	$0	$0	$0	$0

Statewide Automated Welfare System (SAWS)/ California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Interface Development

DESCRIPTION:

This premise reflects costs for modifications to the SAWS consortia systems to establish interfaces between CalHEERS and SAWS. These interfaces are necessary as SAWS is the system of record for case management purposes for all cases determined to be eligible for modified adjusted gross income Medi-Cal as a result of implementation of the Patient Protection and Affordable Care Act (ACA), Public Law 111-148.

The ACA was passed by the federal government to create a more competitive health insurance marketplace through the creation of state-based health insurance exchanges by 2014. In the fall of 2010, California enacted the first state law in the nation establishing a health benefit exchange under the ACA, which authorized the development of CalHEERS. The approved CalHEERS design requires that modifications be made to SAWS to accommodate successful implementation of the ACA.

IMPLEMENTATION DATE:

Modifications to the SAWS consortia systems began in Fiscal Year (FY) 2012-13.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Government Code sections 100502 and 100503 and 42 United States Code section 18031.
- The Budget Act of 2012 (Chapter 29, Statutes of 2012) provides that the California Department of Social Services' (CDSS') item of Appropriation may be increased up to $18 million General Fund (GF) by order of the Director of Finance to address systems changes necessary to implement the ACA. The Director of Finance shall provide notification in writing to the Joint Legislative Budget Committee of any expenditure approved under this provision not less than 30 days prior to the effective date of the approval. This 30-day notification shall include a plan for the systems changes necessary to implement the ACA.
- The CDSS received $401,000 GF and $23,161,000 of reimbursement authority for FY 2012-13 via this provision. This premise reflects updated estimates.

METHODOLOGY:

Costs are based on the March 2013 CalHEERS Advance Planning Document Update and subsequent updates from the Consortia.

Statewide Automated Welfare System (SAWS)/ California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) Interface Development

FUNDING:

California received funding from the federal government via Exchange Establishment Grants for the planning and implementation activities necessary to develop and implement the California Health Benefit Exchange's CalHEERS system. Eighty-two percent of the costs will be covered by these funds (100 percent federal funds). Seventeen percent of the costs are Title XIX eligible (90 percent federal funds and 10 percent GF) and the remaining one percent is Title XXI eligible (65 percent federal funds and 35 percent GF). With the exception of the GF portion of Title XIX, which is budgeted at CDSS, the remaining funds will be reimbursed to CDSS by the Exchange.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 and FY 2013-14 costs have been adjusted to reflect updated estimates from the consortia.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase in FY 2013-14 is due to the majority of development and implementation activities taking place in FY 2013-14. Costs in FY 2013-14 are related to development and implementation as well as maintenance and operations.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
SAWS/CalHEERS Interface Development	$8,040	$0	$137	$0	$7,903

FY 2013-14

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
SAWS/CalHEERS Interface Development	$49,676	$0	$931	$0	$48,745

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$8,040	$8,040	$0
FY 2013-14	49,676	49,676	0

Statewide Automated Welfare System (SAWS) Customer Service Centers (CSCs) Expansion

DESCRIPTION:

This premise reflects costs for expansion of Consortia/county CSCs under the three SAWS Consortia to provide increased services for Medi-Cal eligibility and enrollment. These expansions will leverage the current county call center infrastructure to interface with Covered California/California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) centralized CSCs to fulfill Patient Protection and Affordable Care Act (ACA), Public Law 111-148, requirements of the including accepting the warm transfer of potentially medical-eligible clients from Covered California to the Consortia/counties. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state-level project management for SAWS. Costs for staff planning, implementation and training activities will be provided through the Department of Health Care Services.

IMPLEMENTATION DATE:

This premise assumes implementation in Fiscal Year (FY) 2012-13.

KEY DATA/ASSUMPTIONS:

- This request is in support of the implementation of ACA requirements.
- Funding for the Consortias' support of the Covered California centralized service center model is not included in the California Health Benefit Exchange/CalHEERS Implementation Advanced Planning Document.

METHODOLOGY:

Costs reflect expansion costs of Consortia/county CSCs for all three SAWS Consortia and their counties. The scope of the expansion will consist of development and implementation (D&I) and maintenance and operations (M&O).

FUNDING:

Funding for the expansion costs is 90 percent federal and 10 percent General Fund (GF) during D&I and 75 percent federal and 25 percent GF during M&O.

CHANGE FROM PRIOR SUBVENTION:

This is a new premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2013-14 increase reflects a full year of implementation.

Statewide Automated Welfare System (SAWS) Customer Service Centers (CSCs) Expansion

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 – Automation Projects	**Total**	**Federal**	**State**	**County**	**Reimb.**
SAWS Customer Service Centers	$5,300	$0	$530	$0	$4,770

FY 2013-14

Item 141 – Automation Projects	**Total**	**Federal**	**State**	**County**	**Reimb.**
SAWS Customer Service Centers	$39,720	$0	$5,197	$0	$34,523

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$5,300	$5,300	$0
FY 2013-14	39,720	39,720	0

Healthy Families Transition to Medi-Cal

DESCRIPTION:

This premise reflects the increased costs to the Statewide Automated Welfare System (SAWS) to implement modifications associated with converting cases currently served by the Healthy Families Program (HFP) to Medi-Cal pursuant to Assembly Bill 1494 (Chapter 28, Statutes of 2012). As a result, SAWS will be serving a new group of clients not previously served by Medi-Cal. The conversion process will require the programming and use of new Medi-Cal aid codes for the HFP transitional children. Counties will also be responsible for reports regarding the transitioned cases, as well as for transferring information to and from the counties and outside entities.

IMPLEMENTATION DATE:

This premise assumes implementation of automation changes beginning January 1, 2013.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 14005.26 and 14005.27.
- The transition began January 2013 and will have four phases based on the Healthy Families managed care plan of the child.
- The transition of the HFP to Medi-Cal will make these cases eligible for the new Medi-Cal program under new Patient Protection and Affordable Care Act, Public Law 111-148, rules effective January 2014.
- Clients enrolled in the HFP will become part of Medi-Cal. Infants who are eligible through the Access for Infants and Mothers linkage with family income above 250 percent of the federal poverty level are exempt from this transition.

METHODOLOGY:

- The Fiscal Year (FY) 2012-13 costs reflect automation costs associated with the transition of the HFP to Medi-Cal.
- There are no costs associated with the transition of the HFP to Medi-Cal for FY 2013-14 as the automation changes will be completed in FY 2012-13.

FUNDING:

The funding for the automation is 50 percent General Fund and 50 percent reimbursement from the Department of Health Care Services.

CHANGE FROM PRIOR SUBVENTION:

There is no change to total funding for FY 2012-13, but the funding share rounding was adjusted. There is no change for FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

There are no anticipated costs in FY 2013-14 as automation changes are scheduled to be completed in FY 2012-13.

Healthy Families Transition to Medi-Cal

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 - Automation	Total	Federal	State	County	Reimb
Healthy Families Transition to Medi-Cal	$1,455	$0	$728	$0	$727

FY 2013-14

Item 141 - Automation	Total	Federal	State	County	Reimb
Healthy Families Transition to Medi-Cal	$0	$0	$0	$0	$0

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2012-13	$1,455	$1,455	$0
FY 2013-14	0	0	0

Income Eligibility Verification System (IEVS) Automation

DESCRIPTION:

This premise reflects the costs for enhancements to IEVS, which is used to verify eligibility for individuals receiving aid and reduce the incidence of fraud in the California Work Opportunity and Responsibility to Kids program and CalFresh. The proposed enhancements will fully automate the match process used by county welfare departments to identify potential changes in eligibility for benefits and will address the administrative burden and confidentiality concerns with the current IEVS match process. The current paper-intensive process requires significant time to manually review reports, resulting in high administrative workload. The IEVS automation will enhance current processes, reduce the time needed to review reports and reduce the risk of incurring larger overpayments. Security risks will also be reduced as a result of the automation. Additionally, the automation will enable the California Department of Social Services (CDSS) to collect and analyze data to establish performance measurements to help evaluate the effectiveness of the IEVS processes.

California is developing the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS) to provide consolidated information technology support for eligibility, enrollment and retention for the California Health Benefit Exchange, Medi-Cal and the Healthy Families Program. The federal government has provided direction to leverage shared system components and minimize development of duplicate functionality. Other social services programs may also leverage the functionality developed for CalHEERS and avoid paying for development of duplicate system functionality.

IMPLEMENTATION DATE:

This premise will implement in Fiscal Year (FY) 2013-14.

KEY DATA/ASSUMPTIONS:

- A $100,000 placeholder is included for FY 2013-14 to fund the costs necessary to integrate the IEVS enhancements into the Statewide Automated Welfare System consortia data systems.
- The incremental changes and associated costs necessary for the IEVS enhancements will be identified pending a gap analysis comparing the functionalities.
- Once the business requirements for the eligibility verification for CalHEERS are identified, CDSS will need to determine how to interface with CalHEERS to access data matches for its public assistance cases.
- The cost of the gap analysis will be absorbed within the CDSS state operations budget.

METHODOLOGY:

The placeholder amount of $100,000 is included for FY 2013-14 pending a gap analysis that is to be completed to determine the cost of additional necessary enhancements.

FUNDING:

This program is funded 100 percent General Fund.

Income Eligibility Verification System (IEVS) Automation

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

This new premise implements in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
IEVS Automation	$0	$0	$0	$0	$0

FY 2013-14

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
IEVS Automation	$100	$0	$100	$0	$0

Statewide Automated Welfare System (SAWS)

DESCRIPTION:

This premise reflects costs for SAWS Statewide Project Management (SPM) and all three Consortia within the SAWS Project: the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Consortium, the Welfare Client Data System (WCDS) - California Work Opportunity and Responsibility to Kids (CalWORKs) Information Network (CalWIN) Consortium and Consortium IV (C-IV). The California Health and Human Services Agency, Office of Systems Integration (OSI) provides statewide project management for the three SAWS consortia and the Welfare Data Tracking Implementation Project, which is referenced under a separate premise. The LEADER includes only Los Angeles County. The WCDS - CalWIN system is managed by 18 counties. The C-IV system originally served four counties, but now serves 39 counties after a successful migration of the 35 former Interim SAWS Consortium counties to C-IV, which was completed in June 2010.

For a specific display of the consortia by county, please see the Reference Documents tab. Detailed descriptions of the premises for each consortia can be referenced in the 2012 May Revision, Estimate Methodologies section.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823(a).

<u>SPM</u>

- This premise implemented on July 1, 1995.

<u>LEADER</u>

- This premise implemented on July 1, 1994.
- The LEADER estimate reflects ongoing maintenance and operations (M&O) costs.
- The county extended its M&O contract in May 2007 to continue M&O services until the system designated to replace LEADER is implemented.
- A Post-Implementation Evaluation Report was approved in November 2006.

<u>WCDS - CalWIN</u>

- This premise implemented on July 1, 1997.
- The WCDS - CalWIN Consortium estimate reflects ongoing M&O costs.
- A Post-Implementation Evaluation Report was approved in August 2008.

<u>C-IV</u>

- This premise implemented on July 1, 1997.
- The C-IV estimate reflects ongoing M&O costs.
- A Post-Implementation Evaluation Report was approved in August 2008.

Statewide Automated Welfare System (SAWS)

METHODOLOGY:

SPM

Costs are based on the December 2001 (Revised May 2002) SAWS SPM Implementation Advance Planning Document Update (IAPDU) and subsequent baseline adjustments.

LEADER

Costs are based on the June 2005 SAWS LEADER IAPDU and subsequent adjustments to reflect the extension of the M&O contract.

WCDS - CalWIN

Costs are based on the December 2006 (Revised May 2007) SAWS-WCDS Consortium IAPDU and subsequent budget requests.

C-IV

Costs are based on the June 2006 (Revised November 2006) SAWS-C-IV IAPDU and subsequent budget requests.

FUNDING:

Funding for SPM and the three consortia comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of Supplemental Nutrition Assistance Program, Title IV-E and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through the Department of Health Care Services budget. Based on the cost allocation plan, the federal share of the CalWORKs program is funded entirely by the Temporary Assistance for Needy Families (TANF) Program Block Grant. The non-federal funding is General Fund and the county share of CalFresh, Foster Care and General Assistance/General Relief costs. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM PRIOR SUBVENTION:

SPM

There is no change for FY 2012-13 and FY 2013-14. The allocation of costs to benefitting programs has been adjusted for FY 2013-14.

LEADER

There is no change for FY 2012-13. The increase in FY 2013-14 is due to the increase in caseload.

WCDS - CalWIN

There is no change for FY 2012-13. The increase for FY 2013-14 reflects CalWIN caseload growth, including Healthy Families workload, and the online system M&O costs.

C-IV

There is no change for FY 2012-13 and FY 2013-14. The allocation of costs to benefitting programs has been adjusted for FY 2013-14.

Statewide Automated Welfare System (SAWS)

REASON FOR YEAR-TO-YEAR CHANGE:

SPM

The increase is due to baseline adjustments (retirement and employee compensation).

LEADER

The increase is due to the increase in caseload.

WCDS - CalWIN

The increase is related to schedule changes for M&O procurement, web services to increase client and county user access to the system, caseload growth and increased print costs.

C-IV

The increase is due to updates to the technology refresh schedule and the participation of C-IV in the LEADER Replacement System joint implementation and development effort, as outlined in Assembly Bill X1 16 (Chapter 13, Statutes of 2011).

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
Statewide Project Management	$6,621	$2,206	$2,898	$0	$1,517
LEADER	15,715	9,159	3,832	2,724	0
WCDS - CalWIN	80,740	26,237	30,535	5,709	18,259
Consortium IV	77,050	28,156	28,803	4,999	15,092

FY 2013-14

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
Statewide Project Management	$6,737	$2,237	$2,990	$0	$1,510
LEADER	16,493	9,493	4,135	2,865	0
WCDS – CalWIN	88,587	28,294	33,942	6,499	19,852
Consortium IV	81,460	27,972	30,130	5,461	17,897

CDSS/OSI PARTNERSHIP *	**Total**	**CDSS**	**OSI**
FY 2012-13	$180,126	$173,555	$6,571
FY 2013-14	193,277	186,590	6,687

*The California Department of Social Services (CDSS) share reflects costs for the Consortia and the OSI share reflects SPM costs.

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Welfare Data Tracking Implementation Project (WDTIP)

DESCRIPTION:

This premise reflects costs for the Statewide Automated Welfare System (SAWS) Welfare Data Tracking Implementation Project. Project management for WDTIP is provided by the California Health and Human Services Agency, Office of Systems Integration (OSI). The WDTIP provides counties with the automated functionality required to conform to statewide tracking of time-on-aid requirements mandated by welfare reform in Assembly Bill 1542 (Chapter 270, Statutes of 1997).

IMPLEMENTATION DATE:

This premise implemented on July 1, 1999.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 11454.5(b)(4).
- A Post Implementation Evaluation Report was approved in August 2008.

METHODOLOGY:

Costs are based on the June 2002 (revised January 2003) SAWS-WDTIP Implementation Advance Planning Document Update and subsequent baseline adjustments.

FUNDING:

The SAWS-WDTIP funding is 100 percent California Work Opportunity and Responsibility to Kids/Temporary Assistance for Needy Families (TANF) Program Block Grant. The SAWS-related TANF funds are identified in the TANF detail table in the “Additional TANF/MOE Expenditures in CDSS” section.

CHANGE FROM PRIOR SUBVENTION:

The increase in FY 2012-13 is due to a technical adjustment for rounding. There is no change for FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects baseline adjustments (retirement and employee compensation).

Welfare Data Tracking Implementation Project (WDTIP)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
WDTIP	$3,792	$3,792	$0	$0	$0

FY 2013-14

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
WDTIP	$3,832	$3,832	$0	$0	$0

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$3,792	$2,753	$1,039
FY 2013-14	3,832	2,753	1,079

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS)

DESCRIPTION:

This premise reflects costs for the LRS project. The LEADER consortium is one of three consortia within the Statewide Automated Welfare System (SAWS) Project and is comprised solely of Los Angeles County. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state-level project management for SAWS. The LRS project currently includes planning and procurement activities for a system to replace LEADER.

In addition to LRS costs, this premise includes updated assumptions for the SAWS Reduction to LRS (previously SAWS Unallocated Reduction). Please refer to the 2012 May Revision Estimate Methodology for a detailed description of the SAWS Unallocated Reduction.

KEY DATA/ASSUMPTIONS:

LRS

- Authorizing statute: Welfare and Institutions Code section 10823(a).
- This premise implemented as a separate LEADER premise on July 1, 2007.
- Planning activities for the LRS project began in July 2005.
- The evaluation and selection process concluded in July 2009.
- Contract negotiations concluded in May 2010.
- Contract execution and development and implementation began in November 2012.

SAWS Reduction to LRS

- The $13.7 million ($5.0 million General Fund [GF]) SAWS reduction for Fiscal Year (FY) 2012-13 has been distributed to the LRS.

METHODOLOGY:

LRS

Costs are calculated based on the timeframes outlined in the February 2013 SAWS LRS Implementation Advance Planning Document Update.

SAWS Reduction to LRS

The distribution of the SAWS funding reduction for FY 2012-13 was determined through collaboration with the California Department of Social Services (CDSS), OSI, the Legislative Analyst's Office and the County Welfare Directors Association.

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS)

FUNDING:

The LEADER funding comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of Supplemental Nutrition Assistance Program and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through the Department of Health Care Services budget. These costs are also eligible for enhanced Federal Financial Participation (FFP) funding and cost allocation relief. This FFP funding provides Medicaid (known as Medi-Cal in California) technology investments, including eligibility systems, a 90 percent Federal/ 10 percent GF match for design, development and implementation (DD&I) work. In addition, federal guidance provides for cost allocation relief for other programs utilizing system functionality developed for Medi-Cal. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids program is funded entirely by the Temporary Assistance for Needy Families (TANF) Program Block Grant. The balance of the funding is GF and the county share of CalFresh, Foster Care and General Assistance/General Relief costs. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

CHANGE FROM PRIOR SUBVENTION:

There is a decrease in the GF share for FY 2012-13 and FY 2013-14 due to Medicaid enhanced FFP funding and A-87 cost allocation waiver. The total funds decrease for FY 2012-13 and increase for FY 2013-14 is due to a shift in vendor deliverable payments as per the approved work plan.

There is no change for the SAWS Reduction to LRS.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase for FY 2013-14 is due to a full year of DD&I activities and a shift in vendor deliverable payments as per the approved work plan.

There is no SAWS reduction in FY 2013-14 as the reduction for FY 2012-13 is a one-time reduction.

EXPENDITURES:

(in 000s)

			FY 2012-13		
Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
LEADER Replacement System	$53,761	$4,724	$9,326	$2,862	$36,849
SAWS Reduction to LRS	-13,716	-4,659	-5,000	-895	-3,162

Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS)

EXPENDITURES (CONTINUED):

FY 2013-14

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
LEADER Replacement System	$86,952	$29	$9,279	$4,259	$73,385
SAWS Reduction to LRS	0	0	0	0	0

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$53,761	$53,405	$356
FY 2013-14	86,952	86,124	828

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Consortium IV (C-IV) Migration

DESCRIPTION:

This premise reflects planning costs associated with C-IV Migration. The tasks associated with these costs may include, but are not limited to, identifying services required by each of the C-IV counties for successful migration to the Los Angeles Eligibility, Automated Determination, Evaluation and Reporting (LEADER) Replacement System (LRS), defining and documenting all requirements for the services and conducting governance planning activities. The C-IV is one of three consortia within the Statewide Automated Welfare System (SAWS) project. The California Health and Human Services Agency, Office of Systems Integration (OSI) provides state-level project management for SAWS.

Both the State Strategy for Eligibility Systems and Assembly Bill X1 16 (Chapter 13, Statutes of 2011) dictate the migration of the 39 C-IV counties into one system jointly designed by the C-IV counties and Los Angeles County under the LRS contract. This migration will result in a new consortium to replace the LEADER and C-IV Consortia. Reducing the number of systems will decrease maintenance and operations costs, assist in standardizing the state's health and human services operations at the county level and reduce the complexity of the eligibility system configuration in California. Funding for the C-IV Migration will be needed beginning in Fiscal Year (FY) 2013-14.

IMPLEMENTATION DATE:

This premise will implement in FY 2013-14.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10823(a)(4).
- Costs are those associated with planning the migration effort.

METHODOLOGY:

Costs are based on state experience with previous planning efforts for similar projects, including the Interim SAWS (ISAWS) migration project, which consolidated the 35 former ISAWS counties into the C-IV system.

FUNDING:

The C-IV migration funding comes from various sources, determined by the sharing ratios of the benefitting programs. Federal funds include the standard shares of the Supplemental Nutrition Assistance Program and Refugee Resettlement Program funding. Medi-Cal costs are eligible for Title XIX federal funding, which is disbursed through the Department of Health Care Services budget. Based on the cost allocation plan, the federal share of the California Work Opportunity and Responsibility to Kids program is funded entirely by the Temporary Assistance for Needy Families (TANF) program block grant. The non-federal funding is General Fund. The SAWS-related TANF funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section.

Consortium IV (C-IV) Migration

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2012-13. There is no change to the total cost for FY 2013-14. However, the allocation of costs to benefitting programs has been updated for FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements in FY 2013-14.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141- Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
C-IV Migration	$0	$0	$0	$0	$0

FY 2013-14

Item 141- Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
C-IV Migration	$3,071	$1,092	$1,377	$0	$602

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$0	$0	$0
FY 2013-14	3,071	3,071	0

Statewide Fingerprint Imaging System (SFIS) Project

DESCRIPTION:

This premise reflects the cost for the Statewide Fingerprint Imaging System (SFIS) project. Senate Bill 1780 (Chapter 206, Statutes of 1996) required applicants for and recipients of California Work Opportunity and Responsibility to Kids (CalWORKs), CalFresh and California Food Assistance Program (CFAP) benefits to be fingerprint-imaged as a condition of eligibility. The Budget Act of 2011 removed the fingerprinting requirement for CalFresh and CFAP.

The following persons must provide fingerprint images and a photo image: (1) each parent and/or caretaker relative of an aided or applicant child when living in the home of the child; (2) each parent and/or caretaker relative receiving or applying for aid on the basis of an unaided excluded child; (3) each aided or applicant adult and (4) the aided or applicant pregnant woman in an assistance unit (AU) consisting of the woman only. Failure to provide the required images will result in ineligibility for the entire AU.

IMPLEMENTATION DATE:

The first phase of counties began implementation on March 14, 2000. The statewide implementation of the SFIS was completed on December 7, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10830.
- The Health and Human Services Agency Office of Systems Integration cost estimates reflected in this premise are based on the executed contract with the SFIS development contractor. Cost estimates are based on the following:
    - Maintenance and Operations (M&O) vendor – The M&O vendor contract estimate is based on a structured monthly maintenance cost and operations costs for state and county-operated workstations. This cost includes vendor project staff, help desk when the system is operational, fingerprint examiners, system operators, lease/maintenance costs for host computer(s) (i.e., central site) and software development and maintenance.
    - Change control – Change control is necessary for items not addressed in the Request for Proposal which require changes in the program(s). These can be legislative, interface, capacity or workload changes that affect the new system.
    - The GS $Mart financing of both workstation and Central Site Hardware for a period of five years.

METHODOLOGY:

The estimates are based on the executed contract for ongoing M&O services.

Statewide Fingerprint Imaging System (SFIS) Project

FUNDING:

The M&O automation project costs are funded with federal grant funds for CalWORKs and with county share for General Assistance (GA)/General Relief (GR) costs. Project-related Temporary Assistance for Needy Families (TANF) funds are identified in the TANF detail table in the "Additional TANF/MOE Expenditures in CDSS" section. Federal financial participation for CalWORKs was secured beginning in September 2009.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2012-13. The FY 2013-14 decrease is due to rounding from the 2012 November Estimate. The change in the federal and county ratio is due to CalWORKs and GA/GR ratio changes based on updated person counts.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2013-14 total costs increased due to baseline adjustments (retirement and employee compensation).

EXPENDITURES:

(in 000s)

FY 2012-13

Item 141 - Automation Projects	**Total**	**Federal**	**State**	**County**	**Reimb.**
SFIS	$11,986	$10,716	$0	$1,270	$0

FY 2013-14

Item 141 - Automation Projects	**Total**	**Federal**	**State**	**County**	**Reimb.**
SFIS	$12,031	$10,633	$0	$1,398	$0

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$11,986	$3,421	$8,565
FY 2013-14	12,031	3,421	8,610

Electronic Benefit Transfer (EBT) Project

DESCRIPTION:

This premise reflects the cost for the EBT Project, which is responsible for the automated issuance, delivery, redemption, settlement and reconciliation of California's food and cash aid program benefits. The California EBT system provides recipients with electronic access to food and cash aid benefits through the use of magnetic-stripe cards at point-of-sale terminals and automated teller machines. The benefiting programs under the EBT Project include the California Work Opportunity and Responsibility to Kids (CalWORKs) program, CalFresh, the California Food Assistance Program, the Refugee Cash Assistance (RCA) program, the Low-Income Home Energy Assistance Program (LIHEAP), the Cash Assistance Program for Immigrants and General Assistance/General Relief.

IMPLEMENTATION DATE:

This premise implemented in Fiscal Year (FY) 2005-06.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10069.

METHODOLOGY:

Cost projections are based on the November 2007 EBT Implementation Advance Planning Document and Amendment One of the Xerox State & Local Solutions, Inc. (formerly known as Advance Computer Services State & Local Solutions, Inc.) contract, which was executed on May 19, 2010.

FUNDING:

The EBT Project is funded with federal Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families (TANF) program funds. Federal funds, General Fund (GF) and county funds are provided for CalFresh. Based on the cost allocation plan for the project, the federal share of the CalWORKs program is 100 percent TANF-eligible. Project-related TANF funds are identified in the total for Automation Projects under the "Additional TANF/ MOE Expenditures in CDSS" section of the TANF detail table. The RCA is 100 percent federally funded. All remaining programs are 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The costs reflect the increase in caseload, baseline adjustments (retirement and employee compensation) and Xerox EBT charges for LIHEAP. The allocation of costs to benefiting programs has also been updated.

Electronic Benefit Transfer (EBT) Project

EXPENDITURES:
(in 000s)

FY 2012-13

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
EBT Project	$29,499	$16,505	$9,398	$3,596	$0

FY 2013-14

Item 141 - Automation	**Total**	**Federal**	**State**	**County**	**Reimb.**
EBT Project	$30,661	$16,828	$10,185	$3,648	$0

CDSS/OSI PARTNERSHIP	**Total**	**CDSS**	**OSI**
FY 2012-13	$29,499	$0	$29,499
FY 2013-14	30,661	0	30,661

State Contracts County Reimbursement

DESCRIPTION:

This premise reflects $32.7 million Local Revenue Fund (LRF) reimbursement authority for statewide contract costs. In conjunction with the County Welfare Directors Association, these contracts continue to be administered by the California Department of Social Services (CDSS) to provide oversight for contracted services that have a statewide benefit.

In order for CDSS to receive reimbursement for these contracted services, a Contract Special Account was created within the LRF Protective Services Subaccount administered by the Santa Clara County Social Services Agency.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Senate Bill 1020 (Chapter 40, Statutes of 2012).
- The Santa Clara County Social Services Agency is the designated county to receive up to the amount deposited in the Contract Special Account within the LRF Protective Services Subaccount.
- The CDSS' contract administration and oversight costs will be reimbursed with LRF funds by the Santa Clara County Social Services Agency.
- There is $32,721,000 in reimbursement authority to provide for contract services and CDSS' administration and oversight costs in Fiscal Year (FY) 2012-13 and FY 2013-14.

METHODOLOGY:

On a monthly basis, the State Controller's Office deposits LRF in the Contract Special Account administered by the Santa Clara County Social Services Agency. The CDSS invoices the Santa Clara County Social Services Agency for the reimbursement of the contracted services funded under this account.

FUNDING:

The funding is 100 percent reimbursement from the Contract Special Account created within the LRF Protective Services Subaccount through the Santa Clara County Social Services Agency.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

State Contracts County Reimbursement

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – Child Welfare Services Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
State Contracts County Reimbursement	$32,721	$0	$0	$0	$32,721

FY 2013-14

Item 151 – Child Welfare Services Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
State Contracts County Reimbursement	$32,721	$0	$0	$0	$32,721

CWS Consolidated Federal Grants

DESCRIPTION:

This purpose of this premise is solely to consolidate the following Child Welfare Services (CWS) federal grants: Promoting Safe and Stable Families (PSSF); PSSF Grant for Increased Funding for Caseworker Visits; Independent Living Program (ILP) and Chafee Post Secondary Education and Training Voucher (ETV) in an effort to simplify the presentation and minimize workload.

IMPLEMENTATION DATE:

Each program within the CWS Consolidated Federal Grants has its own implementation date.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 106909.3 and 16600 through 16604.5. Public Law 107-133 and Social Security Act section 477 as amended.
- The grants require matching funds and the matching funds portion of this estimate are included in the Realigned Programs premise.

METHODOLOGY:

The premise reflects the federal grant awards less State Operations costs.

FUNDING:

Funding is based on the federal grant allocations, less State Operations costs. The funding for the matching funds portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

The Fiscal Year (FY) 2012-13 and FY 2013-14 decrease reflects updated federal grant allocations.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

CWS Consolidated Federal Grants

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Consolidated Federal Grants	$56,669	$56,669	$0	$0	$0
PSSF	31,337	31,337	0	0	0
PSSF Grant for Increased Funding for Caseworker Visits	2,055	2,055	0	0	0
ILP	17,174	17,174	0	0	0
Chafee ETV	6,103	6,103	0	0	0

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Consolidated Federal Grants	$56,669	$56,669	$0	$0	$0
PSSF	31,337	31,337	0	0	0
PSSF Grant for Increased Funding for Caseworker Visits	2,055	2,055	0	0	0
ILP	17,174	17,174	0	0	0
Chafee ETV	6,103	6,103	0	0	0

California's Partners in Permanency Project (CAPP)

DESCRIPTION:

This premise reflects five grant awards over five years from the federal Administration for Children and Families to the California Department of Social Services for a total of up to $14.5 million. The federal grant funds support the implementation of local demonstration projects that test the effectiveness of innovative intervention strategies to improve permanency outcomes of foster children in California, in particular African-American and Native-American youth who have been identified as having the most significant barriers to permanency. Projects funded by the grant will address site-specific issues in order to help children move from Foster Care to permanency in less than three years.

Five grant awards have been distributed to California, with a maximum annual per award amount of $2.5 million for year one, and increasing up to $3.0 million per year, for up to four additional years. The grants require a ten percent match, with the match funds coming from a portion of the Realigned Programs premise.

IMPLEMENTATION DATE:

This premise implemented on October 1, 2010.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Social Security Act section 426.
- Program and financial status reports are due 30 days after the end of the second and fourth quarters (six-month intervals) throughout the total approved project period.
- The implementation counties are: Fresno, Humboldt, Los Angeles and Santa Clara.
- Ten replication counties may participate in early planning and development activities and implement during years four and five of the project. These counties include: Contra Costa, Napa, Monterey, Orange, Sacramento, San Bernardino, San Francisco, Santa Cruz, Solano and Yolo.
- Fiscal Year (FY) 2012-13 includes carryover funds of $1,066,000.

METHODOLOGY:

The estimate is based on the Federal Fiscal Year (FFY) federal grant amount. The FFY 2012 grant amount is estimated to be $3,000,000 in federal funds plus $1,066,000 in carryover funds, less $368,000 for State Operation costs. The FFY 2013 grant amount is estimated to be $2,971,320 in federal funds, less $368,000 for State Operation costs.

FUNDING:

Federal funding is provided by Title IV-B of the Social Security Act, and funded at 100 percent. There is a ten percent match and the funding for the matching funds portion of this estimate is included in the Realigned Programs premise.

California's Partners in Permanency Project (CAPP)

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 increase reflects the inclusion of the carryover funds. There is no change for FY 2013-14.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated grant award and inclusion of the carryover funds in FY 2012-13.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – Child Welfare Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
CAPP	$3,698	$3,698	$0	$0	$0

FY 2013-14

Item 151 – Child Welfare Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
CAPP	$2,603	$2,603	$0	$0	$0

Total Child Welfare Training Program

DESCRIPTION:

This premise reflects the costs for providing a statewide coordinated training program designed specifically to meet the needs of county child protective services social workers assigned to emergency response, family maintenance, family reunification, permanent placement and adoption responsibilities. The program was established by Senate Bill (SB) 834 (Chapter 1310, Statutes of 1987), and extended permanently by SB 1125 (Chapter 1203, Statutes of 1991).

The Total Child Welfare Training Program includes training for other agencies under contract with County Welfare Departments to provide child welfare case management services. The program also includes crisis intervention, investigative techniques, rules of evidence, indicators of abuse and neglect, assessment criteria, intervention strategies, family-based services, legal requirements of child protection, case management and the use of community resources.

IMPLEMENTATION DATE:

This premise implemented on July 1, 1988.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16200 through 16215.
- This estimate reflects costs for 58 counties.
- Assumes in Fiscal Year (FY) 2012-13, that 67 percent and in FY 2013-14, 66 percent of the costs are federally eligible.
- In-kind match is used to draw down some of the federal funds.
- The implementation of regional training academies started in 1996.
- Funding is based on contract amounts entered into by the California Department of Social Services.
- The amount of federal financial participation (FFP) is available at the enhanced training rate of 75 percent and 50 percent for administrative expenditures necessary for the proper and efficient administration of the Title IV-E state plan.

METHODOLOGY:

The estimate is based on contract costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on 75 percent for training and the administration rate of 50 percent for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 100 percent General Fund, with the exception of various contracts which utilize in-kind match.

Total Child Welfare Training Program

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The FY 2013-14 increase reflects updated contract amounts eligible for both the 50 and 75 percent FFP and a decrease in the percent of cases federally eligible.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects updated contract amounts, resulting in more contract costs eligible for the enhanced 75 percent FFP.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – Child Welfare Services	Total	Federal	State	County	Reimb.
Total Child Welfare Training Program	$22,021	$13,132	$8,889	$0	$0

FY 2013-14

Item 151 – Child Welfare Services	Total	Federal	State	County	Reimb.
Total Child Welfare Training Program	$22,674	$13,785	$8,889	$0	$0

Child Welfare Services (CWS) – Pass-Through Title IV-E Costs

DESCRIPTION:

This premise reflects the pass-through of federal Title IV-E funds for probation, social worker (SW) training, other public agency administrative costs, county counsel costs and foster and kinship care education program as described below.

IMPLEMENTATION DATES:

Probation Costs	June 1991
Social Work Training	Fiscal Year (FY) 1992-93
Other Public Agencies	FY 2003-04
SW/County Counsel and Court Appointed Special Advocates (CASA) Training	FY 2005-06
Foster and Kinship Care Education Program* (Community College Chancellor’s Office)	FY 2005-06

*Incorporates the Foster Parent Training Fund (FY 1990-91) and the Foster Parent Training Program (FY 1998-99).

KEY DATA/ASSUMPTIONS:

- The probation costs estimate reflects actual costs for the 56 non-Title IV-E Waiver counties.
- The amount of federal financial participation included in the California Department of Social Services’ (CDSS’) budget is 100 percent federal funds.

METHODOLOGY:

This premise includes the combined estimated expenditures for the following five Title IV-E pass-through costs:

- **Probation Costs** – The state received federal approval to pass-through Title IV-E administrative funds for county probation staff activities that are similar to the Title IV-E eligible tasks of county social services workers. This federal funding source is passed through to the county probation departments for their federally-eligible activities related to probation supervised cases in Foster Care (FC). It is also passed-through for the Title IV-E eligible training of probation staff that complete case management activities on behalf of these children based on actual expenditures.
- **SW Training** – An agreement between the CDSS, the Universities of California and the California State Universities was implemented for a statewide training program to increase the number of SWs employed in California county welfare departments. This effort was initiated due to the shortage of professionals in public CWS, especially those holding a master's degree in social work.

Child Welfare Services (CWS) – Pass-Through Title IV-E Costs

METHODOLOGY (CONTINUED):

Currently, there are 20 schools of social work participating. Funding is provided with Title IV-E federal funds and in-kind matches provided by the California State Universities.

- **Other Public Agencies** – The federal government allows Title IV-E reimbursement for administrative activities associated with pre-placement prevention. Under current CDSS regulations and specified conditions, counties may pass-through Title IV-E funds to other county public agencies, such as education or mental health, which perform eligible administrative activities for children at risk of, or currently placed in FC. This pass-through provision does not apply to similar activities performed by private non-profit organizations based on actual expenditures.
- **Social Work/County Counsel and CASA Training** – The training is coordinated and overseen by the Administrative Office of the Courts (AOC) through a contract with statewide and local training providers to provide short-term training to enhance SW and county counsel's understanding of the judicial determination process and necessary court findings on behalf of children in FC.
- **Foster and Kinship Care Education Program (Community College Chancellor's Office)** – Effective in FY 2005-06, the Foster Parent Training Fund was incorporated into the Community College Proposition 98 fund. Title IV-E funds are accessed by using the Community College Proposition 98 funds as match for the purpose of reimbursing the California Community Colleges Chancellor's Office for providing education and training to foster parents and kinship care providers. This program is conducted through community colleges in consultation with CDSS and key state foster and caregiver associations. Statutes relating to the type of education and training this program delivers include: Senate Bill 2003 (Chapter 1597, Statutes of 1984); Assembly Bill (AB) 3062 (Chapter 1016, Statutes of 1996); AB 2307 (Chapter 745, Statutes of 2000); and AB 458 (Chapter 331, Statutes of 2003).

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 decrease reflects shifting a portion of the AOC contract to FY 2013-14. The FY 2013-14 decrease reflects updated actual expenditures offset by the additional AOC funds.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated actual expenditures and contract amounts.

Child Welfare Services (CWS) – Pass-Through Title IV-E Costs

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – CWS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Total Administration	$138,284	$138,284	$0	$0	$0
Probation	96,865	96,865	0	0	0
Foster and Kinship Care Education Program	4,833	4,833	0	0	0
CWS AOC SW/County Counsel and CASA Training	640	640	0	0	0
Other Public Agencies Administration	2,915	2,915	0	0	0
SW Training Administration	33,031	33,031	0	0	0

FY 2013-14

Item 151 – CWS	**Total**	**Federal**	**State**	**County**	**Reimb.**
Total Administration	$131,348	$131,348	$0	$0	$0
Probation	90,413	90,413	0	0	0
Foster and Kinship Care Education Program	4,491	4,491	0	0	0
CWS AOC SW/County Counsel and CASA Training	864	864	0	0	0
Other Public Agencies Administration	2,915	2,915	0	0	0
SW Training Administration	32,665	32,665	0	0	0

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Child Welfare Services/ Case Management System (CWS/CMS) Maintenance and Operation (M&O) Office

DESCRIPTION:

This premise reflects the costs related to the ongoing and administrative support of the CWS/CMS. As mandated by Senate Bill 370 (Chapter 1294, Statutes of 1989), the CWS/CMS provides a comprehensive database, case management tool and reporting system for the CWS Program. It contains both current and historical information for all children statewide in emergency response, family maintenance, family reunification and permanent placement, including Adoptions and Foster Care (FC) reports mandated by sponsoring and funding agencies.

The CWS/CMS provides: (1) immediate statewide data on referrals for children at risk of abuse, neglect or exploitation; (2) immediate case status and case tracking for children and families receiving CWS; (3) necessary information and forms required to determine eligibility for the Aid to Families with Dependent Children-FC Program; (4) tracking for all placement activities for children in FC and (5) issuance of the appropriate notice of action messages, court reports and service plans. The system also produces required state and federal reports. State level project management for CWS/CMS is provided by the Office of Systems Integration (OSI). The OSI administers the projects under an interagency agreement with the California Department of Social Services (CDSS).

IMPLEMENTATION DATE:

This premise implemented Fiscal Year (FY) 1995-96.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs represent ongoing M&O costs associated with support and oversight of the CWS/CMS.
- Costs include the wide-area network and infrastructure hosting services provided by the state data center, OSI administrative support and vendor costs related to contracted application and technical architecture support services.

METHODOLOGY:

Costs are based on the FY 2012-13 Budget Change Proposal and the Department of Finance’s Budget Letters 12-20, 12-21 and 12-24.

FUNDING:

The cost allocation is based on the CDSS’ Operational Cost Allocation Plan (CAP), which is approved annually by the Department of Health and Human Services, Division of Cost Allocation.

Child Welfare Services/ Case Management System (CWS/CMS) Maintenance and Operation (M&O) Office

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 and FY 2013-14 funding shifts reflect the updated CAP.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the restoration of one-time savings reductions in FY 2012-13 for the Personal Leave Program, the prime vendor services contract and FY 2013-14 baseline adjustments (retirement and employee compensation).

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS/CMS M&O Office	$77,298	$38,534	$34,393	$0	$4,371

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS/CMS M&O Office	$78,391	$39,101	$34,857	$0	$4,433

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2012-13	$77,298	$34,361	$42,937
FY 2013-14	$78,391	$34,407	$43,984

Child Welfare Services – New System (CWS-NS) Project

DESCRIPTION:

This premise reflects the costs associated with the CWS-NS Project. The Child Welfare Services (CWS) Automation Study Legislative Report was submitted to the Legislature on April 18, 2012. The Legislature concurred with the recommended buy/build approach identified in the CWS Automation Study, and directed the California Department of Social Services (CDSS) to move forward with replacing the current CWS/Case Management System (CMS). In Fiscal Year (FY) 2012-13, the CWS-NS Project developed and submitted a Budget Change Proposal (BCP), Feasibility Study Report (FSR), a federal Planning Advanced Planning Document Update (PAPDU) and started pre-planning activities in support of the CWS/CMS replacement effort. The BCP was approved in October 2012, the FSR was approved on January 10, 2013, and the PAPDU was approved on February 8, 2013. It is anticipated that continued project funding will be included in the enacted Budget Act of 2013-14. Currently the CWS-NS Project is in the pre-planning phase with the expectation that the planning and procurement phase will begin in July 2013.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2012.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 16501.5.
- Costs shown are associated with the support and oversight of the CWS-NS Project.

METHODOLOGY:

Costs are based on the FY 2012-13 Budget and the Department of Finance Budget Letters 12-20, 12-21 and 12-24. The FY 2013-14 costs are based on the 2013-14 BCP.

FUNDING:

The cost allocation is based on the CDSS' Operational Cost Allocation Plan which is approved annually by the Department of Health and Human Services, Division of Cost Allocation.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 decrease reflects an update to the 2012 November Estimate. The FY 2013-14 increase reflects an update to the baseline budget that was included in the 2012 November Estimate.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the one-time employee compensation adjustment made for the FY 2012-13 Personal Leave Program, baseline adjustments (retirement and employee compensation) and funding associated with the CWS-NS Project's FY 2013-14 BCP.

Child Welfare Services – New System (CWS-NS) Project

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 Child Welfare Services	Total	Federal	State	County	Reimb.
CWS-NS New System Project	$2,600	$1,306	$1,147	$0	$147

FY 2013-14

Item 151 Child Welfare Services	Total	Federal	State	County	Reimb.
CWS-NS New System Project	$8,793	$4,415	$3,881	$0	$497

CDSS/OSI PARTNERSHIP	Total	CDSS	OSI
FY 2012-13	$2,600	$184	$2,416
FY 2013-14	$8,793	$3,611	$5,182

Child Health and Safety Fund (CHSF)

DESCRIPTION:

This premise reflects the distribution of funding to counties from the CHSF for child abuse prevention in the community. Assembly Bill 3087 (Chapter 1316, Statutes of 1992) established the CHSF for specified purposes. Monies for this activity are generated through the Department of Motor Vehicles' "Have a Heart, Be a Star, Help our Kids" license plate program pursuant to Vehicle Code section 5072.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code (W&IC) section 18285.
- Up to 25 percent of the license plate monies may be used for child abuse prevention, and of that 25 percent, 90 percent (22.5 percent of the total plate revenue) is to be provided to counties (county children's trust funds) for support of child abuse prevention services in the community (W&IC section 18285[e][1]).
- The total actual CHSF license plate revenue for Fiscal Year (FY) 2010-11 was $3,980,000 and for FY 2011-12 was $4,281,000.

METHODOLOGY:

- Using FY 2010-11 actual revenue as the estimate for FY 2012-13, 22.5 percent will be transferred to the counties for child abuse prevention activities.
- Using FY 2011-12 actual revenue as the estimate for FY 2013-14, 22.5 percent will be transferred to the counties for child abuse prevention activities.

FUNDING:

All funds are provided by the CHSF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects updated actual revenues.

Child Health and Safety Fund (CHSF)

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – Child Welfare Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Child Health and Safety Fund	$896	$0	$896	$0	$0

FY 2013-14

Item 151 – Child Welfare Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
Child Health and Safety Fund	$963	$0	$963	$0	$0

Child Welfare Services (CWS) Program Improvement Fund

DESCRIPTION:

This premise reflects donated grants, gifts or bequests made to the state from private sources to be deposited into the CWS Program Improvement Fund as established by Assembly Bill 2496 (Chapter 168, Statutes of 2004). These funds are intended to enhance the state's ability to provide a comprehensive system of support that promotes positive outcomes for children and families.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2005.

KEY DATA/ASSUMPTIONS:

- Donated funds are eligible for matching funds at the federal Title IV-E enhanced training rate of 75 percent.
- This estimate reflects costs for 58 counties.
- This premise assumes in Fiscal Year (FY) 2012-13, 67 percent and in FY 2013-14, 66 percent of the costs are federally eligible.
- The amount of federal financial participation (FFP) is available at the training rate of 75 percent for administrative expenditures necessary for the proper and efficient administration of the Title IV-E state plan.

METHODOLOGY:

The expected donations total $4.0 million General Fund (GF) each year.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act, with the amount of FFP based on the administration rate for those cases meeting eligibility criteria. Funding for the remaining federal and nonfederal costs is 100 percent GF, payable from the CWS Program Improvement Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a decrease in federally eligible costs.

Child Welfare Services (CWS) Program Improvement Fund

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Program Improvement Fund	$8,040	$4,040	$4,000	$0	$0

FY 2013-14

Item 151 – CWS Administration	Total	Federal	State	County	Reimb.
CWS Program Improvement Fund	$7,921	$3,921	$4,000	$0	$0

Federal Grants

DESCRIPTION:

This premise reflects the federal grants associated with assisting local and private agencies in the development and strengthening of child abuse and neglect prevention and treatment programs. These federal grants include those under the Child Abuse Prevention and Treatment Act (CAPTA). The CAPTA grants consist of Title I (consisting of the former Parts A and B) and Title II, otherwise known as the Community-Based Child Abuse Prevention (CBCAP) grant. Approximately 50 percent of each annual CBCAP grant award is allocated to the counties. The CBCAP grant was formerly known as the Community-Based Family Resource and Support grant. In Fiscal Year (FY) 2006-07 the California Department of Social Services (CDSS) received the Linkages Grant. The CDSS, in collaboration with the Child and Family Policy Institute of California, enhances, expands and measures the impacts of Linkages. Linkages are a strategic effort involving nearly 30 counties in California to improve coordination between the California Work Opportunity and Responsibility to Kids (CalWORKs) and Child Welfare Services (CWS) programs. The mission of Linkages is to deepen and broaden collaboration and coordination of CalWORKs and CWS at the county level to better serve families and improve outcomes. Through training and support, Linkages also works towards increasing the number of counties co-locating services, supports counties in developing strategies to serve at least one identified underserved population and strengthens data collection practices and counties' use of data for continuous improvement of service delivery and systems integration.

The impacts of the federal sequestration reductions are reflected in the Federal Sequestration Reduction premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18958.
- Project funding is contingent upon continued receipt of federal grant awards.
- The CBCAP grant awards require matching funds. The matching funds portion of this estimate is included in the Realigned Programs premise.
- Through an interagency agreement between the California Department of Public Health (CDPH) and CDSS, and a contract between CDSS and Rady Hospital, there is a pass-through of money from a federal grant to CDPH, then to CDSS as a reimbursement and ultimately to Rady Hospital. The total reimbursement to Rady Hospital is $716,517 in FY 2012-13 and $173,916 in FY 2013-14.
- For FY 2012-13 and FY 2013-14, $250,000 of the CAPTA funds are provided for the Linkages Grant.

METHODOLOGY:

- For FY 2013-14 the CAPTA federal grants average approximately $3.0 million annually and have a limit of five years to fully expend the annual grant. This allows states flexibility in the use and support of multi-year projects.
- The funding for the Linkages Grant expired on September 30, 2011, and funding is provided from CAPTA.

Federal Grants

METHODOLOGY (CONTINUED):

The total below reflects the following federal grants:

	FY 2012-13	FY 2013-14
CAPTA Title I Grants	$2,966,065	$2,955,586
CAPTA Title II – CBCAP Grants	$3,886,835	$4,013,229
	$6,852,900	$6,968,815

FUNDING:

Funding for these projects are 100 percent federal grant funds. The Linkages grant is now funded with CAPTA funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The FY 2013-14 increase reflects inclusion of a new contract.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects a decrease in the CDPH reimbursements.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – Child Abuse Prevention Program	**Total**	**Federal**	**State**	**County**	**Reimb.**
Federal Grants	$7,570	$6,853	$0	$0	$717

FY 2013-14

Item 151 – Child Abuse Prevention Program	**Total**	**Federal**	**State**	**County**	**Reimb.**
Federal Grants	$7,143	$6,969	$0	$0	$174

State Children's Trust Fund (SCTF) Program

DESCRIPTION:

This premise reflects the revenue available for the SCTF in California. The SCTF provides funding for innovative child abuse and neglect prevention and intervention projects utilizing deposits generated from California birth certificate surcharges, state income tax designations and private donations. Project funding is awarded through proposals submitted to the Office of Child Abuse Prevention (OCAP) of the California Department of Social Services (CDSS).

The SCTF is used to research, evaluate and disseminate information to the public, to establish public-private partnerships with foundations and corporations to increase public awareness about child abuse and neglect via media campaigns and to seek continued contributions to the fund.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 18969 and Assembly Bill 2036 (Chapter 647, Statutes of 2002).
- The State Controller's Office (SCO) accounts for deposits generated from California birth certificate surcharges, state income tax designations and private donations.

METHODOLOGY:

This premise reflects the current funding available for the SCTF, as provided by OCAP.

FUNDING:

The SCO accounts for deposits to the SCTF and advises CDSS as to the availability of funds.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

State Children's Trust Fund (SCTF) Program

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – OCAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
State Children's Trust Fund Program	$995	$0	$995	$0	$0

FY 2013-14

Item 151 – OCAP	**Total**	**Federal**	**State**	**County**	**Reimb.**
State Children's Trust Fund Program	$995	$0	$995	$0	$0

APS Contract for Training Curriculum

DESCRIPTION:

This premise reflects the cost of a multi-year contract with a qualified institution, agency or consultant to develop a comprehensive statewide training curriculum for county Adult Protective Services (APS) workers that will be owned by the state and shared with county APS agencies; present the training curriculum to all APS workers, which includes scheduling and arranging training in all regions of the state and producing all required training materials; and periodically update the curriculum and its content to reflect changes to APS laws, policies and practices and provide updated training to APS workers.

The purpose of the training is to educate county APS workers on the APS program standards, requirements and mandates established by passage of Senate Bill 2199 (Chapter 946, Statutes of 1998) and subsequent legislation. The training is intended to promote statewide uniformity and consistency in the administration and delivery of services under the APS program.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2001.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Elder Abuse and Dependent Adult Civil Protection Act, commencing in Welfare and Institutions Code section 15600.
- The annual cost for ongoing training activities is estimated to be $176,000.

METHODOLOGY:

The funding for this premise reflects the amount of the contract.

FUNDING:

The federal Title XIX reimbursement represents 12.5 percent of the total funding. The nonfederal share is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

APS Contract for Training Curriculum

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – APS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
APS Contract for Training Curriculum	$176	$0	$154	$0	$22

FY 2013-14

Item 151 – APS Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
APS Contract for Training Curriculum	$176	$0	$154	$0	$22

Community Care Licensing (CCL) - Foster Family Homes (FFHs)

DESCRIPTION:

This premise reflects the costs of providing basic funding for FFHs licensing and recruitment services. The California Community Care Facilities Act authorizes counties to provide FFHs licensing services. There are currently 39 counties providing FFHs licensing and recruitment services. The FFHs in the remaining 19 counties are licensed by the California Department of Social Services' (CDSS') CCL Division. For these counties, funds are provided for the purpose of recruiting FFH providers.

Effective Fiscal Year (FY) 2003-04, CDSS implemented a Targeted Visits protocol to streamline the annual review process of licensed care facilities to focus on facilities in which health and safety may be at greatest risk, or those facilities that require an annual visit as a condition of federal funding. A random sample of the remainder of the facilities is subject to annual unannounced visits (30 percent for FY 2010-11). Current law requires that all facilities be visited at least once every five years and if the number of citations increases by ten percent over the prior year, the number of unannounced visits must also increase by ten percent.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- The workload standard used to determine full time equivalents (FTEs) for targeted visits is 120 cases per worker.
- The worker to supervisor ratio used to determine the total number of FTEs is 6.25:1.
- The average statewide unit cost for a Licensing Program Analyst (LPA) is held at the FY 2002-03 unit cost of $125,663.
- The projected caseload for FY 2012-13 is 7,083 and for FY 2013-14 is 6,942.
- The recruitment-only amount is held at the FY 2005-06 funding level of $877,764 total funds.
- In order to reflect an appropriate level of federal spending authority based on actual expenditures, additional Title IV-E funds are budgeted in FY 2012-13 in the amount of $3,174,456 and in FY 2013-14 in the amount of $3,032,531.
- Total funds of $27,000 is included for the *Gresher v. Anderson* court case which requires notification to applicants of conviction information received and a summary of reasons for denial.
- The sharing ratio for FY 2012-13 is 35.09 percent federal funds and 64.91 percent General Fund (GF) based on actual expenditure data from calendar year 2011. The sharing ratio for FY 2013-14 is 35.03 percent federal funds and 64.97 percent GF based on actual expenditure data from calendar year 2012.

Community Care Licensing (CCL) - Foster Family Homes (FFHs)

METHODOLOGY:

The estimate is developed by dividing the caseload by the workload standards to derive the number of non-supervisory FTEs. The FTEs are expanded to include supervisors at a ratio of 6.25:1 to determine the total number of FTEs. The total number of FTEs is then multiplied by the LPA unit cost. The total estimate is derived by adding the recruitment-only allocation, additional federal spending authority and *Gresher v. Anderson* costs.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs is 100 percent GF. Additional federal spending authority is included based on actual expenditures.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The FY 2013-14 decrease reflects updated caseload projections and a decrease in the additional federal spending authority.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects the updated caseload projection and the decrease in the additional federal spending authority.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – CCL Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Foster Family Homes	$12,683	$6,573	$6,110	$0	$0

FY 2013-14

Item 151 – CCL Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Foster Family Homes	$12,370	$6,366	$6,004	$0	$0

Community Care Licensing (CCL) - Family Child Care Homes (FCCHs)

DESCRIPTION:

This premise reflects the costs of providing basic funding to three counties for FCCHs licensing services and processing serious incident reports. The FCCHs programs in the remaining 55 counties are licensed by the California Department of Social Services (CDSS) CCL District Offices. The California Community Care Facilities Act authorizes participating counties to provide FCCHs licensing services. Also, FCCH licensees are required to report any injury to a child requiring medical treatment, the death of any child or any unusual incident or child absence that threatens the physical or emotional health or safety of any child while the child is in the care of the licensee.

Effective in Fiscal Year (FY) 2003-04, CDSS implemented a Targeted Visits protocol to streamline the annual review process of licensed care facilities to focus on facilities in which health and safety may be at greatest risk, or those facilities that require an annual visit as a condition of federal funding. A random sample of the remainder of the facilities is subject to annual unannounced visits (30 percent for FY 2010-11). Current law requires that all facilities be visited at least once every five years and if the number of citations increases by ten percent over the prior year, the number of unannounced visits must also increase by ten percent.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Health and Safety Code sections 1500 through 1519.
- For FY 2012-13 the projected caseload is 3,822 and for FY 2013-14 the projected caseload is 1,825.
- The workload standard used to determine full time equivalents (FTEs) for targeted monitoring visits is 257 cases per Licensing Program Analyst (LPA) worker.
- The worker to supervisor ratio used to determine FTEs is 6.25:1.
- The average statewide unit cost of a LPA is held at the FY 2002-03 level of $117,885.
- A total of $80,000 General Fund (GF) is included for the Serious Incident Reporting premise to fulfill the reporting requirements for any injury, medical treatment, death, absence or unusual incident that threatens any child in the care of the licensee of a FCCH.
- A total of $10,000 GF is included for the *Gresher v. Anderson* court case which requires notification to applicants of conviction information received and a summary of reasons for denial.

METHODOLOGY:

The estimate is developed by dividing the caseload by the workload to determine the number of nonsupervisory FTEs. The FTEs are then expanded to include supervisors at a ratio of 6.25:1 to derive the total number of FTEs. The average statewide unit cost is then multiplied by total FTEs. The total estimate is derived by adding the Serious Incident Reporting and G*resher v. Anderson* costs to the FCCH – Basic Costs.

Community Care Licensing (CCL) - Family Child Care Homes (FCCHs)

FUNDING:

The funding includes reimbursements from the California Department of Education (from the federal Child Care Development Block Grant fund) to cover a portion of the costs of conducting comprehensive site visits. The remaining costs are funded 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The FY 2013-14 decrease reflects updated caseload projections. Sacramento County had a correction to prior months claiming, which represents the majority of the caseload.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated caseload projections; the majority of the change reflects the correction to claiming for Sacramento County.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Family Child Care Homes	$2,124	$0	$1,806	$0	$318

FY 2013-14

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Family Child Care Homes	$1,061	$0	$743	$0	$318

Adam Walsh Child Protection and Safety Act of 2006

DESCRIPTION:

This premise reflects the costs of the Adam Walsh Child Protection and Safety Act of 2006 Public Law (PL) 109-248, which requires states to check child abuse and neglect registries in each state in which prospective foster or adoptive parents, relative caregivers or non-relative extended family members (as well as other adults in the home) have resided in the preceding five years prior to approval for placement of a child. This premise also reflects the costs associated with responding to other states' requests for underlying information about child abuse and neglect reports in California. Senate Bill (SB) 703 (Chapter 583, Statutes of 2007) brings California into conformity with this Act.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statutes: The PL 109-248 and SB 703.
- The Community Care Licensing (CCL) Foster Family Home (FFH) caseload for Fiscal Year (FY) 2012-13 is 1,245 based on new licensing activity for calendar year 2011. The CCL FFH caseload for FY 2013-14 is 1,229 based on new licensing activity for calendar year 2012.
- It is assumed that an average of 2.5 persons in the home will require a child abuse and neglect registry check in another state.
- A total of 3,113 registry checks will be performed in FY 2012-13 and 3,073 in FY 2013-14.
- Ten percent of those seeking home approval have resided in another state within the past five years and will require a child abuse and neglect registry check.
- Ten percent of those who have resided in another state within the past five years and have a child abuse and neglect registry check will have a history of child abuse and neglect.
- Licensing workers will spend one hour per registry check without a hit.
- When information from other states indicates a history of child abuse and neglect, eight hours of licensing worker time will be required to investigate and review the facts of the case.
- The sharing ratio for FY 2012-13 is 35.09 percent federal funds and 64.91 percent General Fund (GF) based on actual expenditures from calendar year 2011.
- The sharing ratio for FY 2013-14 is 35.03 percent federal funds and 64.97 percent GF based on actual expenditures from calendar year 2012.
- The hourly cost of a licensing worker is $70.68.

<u>Child Welfare Services (CWS) and Adoptions</u>

- The CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

Adam Walsh Child Protection and Safety Act of 2006

METHODOLOGY:

The number of registry checks is multiplied by the percentage of those who resided in another state, multiplied by the number of hours required to complete a registry check, multiplied by the hourly cost of a licensing worker. The number of registry checks is multiplied by the percentage of those with a history of child abuse and neglect, multiplied by the hours of investigative activity, multiplied by the hourly cost of a licensing worker.

FUNDING:

Federal funding is provided by Title IV-E of the Social Security Act. Funding for the remaining costs is 100 percent GF.

The funding for the CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Adam Walsh Child Protection and Safety Act of 2006	$37	$13	$24	$0	$0

FY 2013-14

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Adam Walsh Child Protection and Safety Act of 2006	$37	$13	$24	$0	$0

Resource Family Approval Pilot

DESCRIPTION:

This premise reflects costs associated with Assembly Bill (AB) 340 (Chapter 464, Statutes of 2007) which requires the California Department of Social Services, in consultation with stakeholders and interested parties, to implement a three-year pilot program in up to five counties to establish a single, comprehensive, resource, family, pilot and approval process for Foster Care (FC) and Adoptions. This single process would replace the existing separate processes for licensing Foster Family Homes (FFHs), approving relatives and non-related extended family members (NREFMs) and approving adoptive families.

IMPLEMENTATION DATE:

This premise will be suspended.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 16519 and 16519.5.
- The five pilot counties are: San Francisco, San Luis Obispo, Santa Barbara, Santa Clara and Yuba.
- The number of hours necessary to perform home approvals for relative/NREFM and licensing has been increased to 24 hours, which is equivalent to the level of an adoption approval.
- Duplicative processes for approvals and background checks are eliminated, thus creating savings.
- Placements are more stable, eliminating secondary placements for FFH cases, thus creating savings.
- State administrative hearing reviews for licensing cases, denied and appealed, are replaced by less-costly county grievance reviews. It is assumed 20 percent of FFH denied cases will appeal, requiring eight hours of social worker (SW) time per grievance review.
- First year costs include one-time SW training and county start-up costs of $348,134. On-going annual training for new staff as a result of turnover is estimated at $2,799.
- After the initial year of implementation, FFH cases will require three hours of SW time to perform annual reassessments.
- Based on actual data from Fiscal Year (FY) 2010-11, the number of Community Care Licensing (CCL) cases going through the home approval process for the five pilot counties total 139, of which 137 were approved and two were denied. Based on actual data from FY 2011-12, the number of CCL cases going through the home approval process for the five pilot counties total 75, of which 75 were approved and no denials.
- The hourly cost of a licensing worker is $70.68.
- The number of hours to perform a FFH home approval is 15.47 hours.

Resource Family Approval Pilot

KEY DATA/ASSUMPTIONS (CONTINUED):

Child Welfare Services (CWS) and Adoptions

- The CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

METHODOLOGY:

Savings are calculated from the elimination of duplicative approval processes.

FUNDING:

Savings are shared based on actual FFHs sharing ratios. The sharing ratio for FY 2012-13 is 34.83 percent federal and 65.17 percent General Fund (GF) and for FY 2013-14 is 35.45 percent federal and 64.55 percent GF.

The funding for the CWS and Adoptions programs portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change in FY 2012-13. The FY 2013-14 erosion of savings reflects the suspension of this premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The erosion of savings reflects the suspension of this premise.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – CCL Funding	Total	Federal	State	County	Reimb.
Resource Family Approval Pilot	-$152	-$53	-$99	$0	$0

FY 2013-14

Item 151 – CCL Funding	Total	Federal	State	County	Reimb.
Resource Family Approval Pilot	$0	$0	$0	$0	$0

Fee-Exempt Live Scan

DESCRIPTION:

This premise reflects the costs for fingerprinting and search requirements associated with certain fee-exempt providers pursuant to Senate Bill (SB) 933 (Chapter 311, Statutes of 1998). SB 933 also mandated a second set of fingerprints be submitted in order to search the records of the Federal Bureau of Investigation (FBI). Assembly Bill (AB) 1659 (Chapter 881, Statutes of 1999) added certain categories of licensed fee-exempt providers for FBI background checks.

This premise also includes the reimbursement cost for processing applications referred by the California Department of Education and licensed fee-exempt providers.

The Community Care Licensing (CCL) Division is responsible for processing the applications pursuant to AB 753 (Chapter 843, Statutes of 1997). The CCL Division contracts with the Department of Justice (DOJ) and the California Child Care Resource and Referral Network to process the fingerprint and index search file activities. Additionally, CCL Division contracts with Sylvan/Indentix, a private vendor, for the Live Scan fingerprinting. The Live Scan fingerprint process is an electronic technology that transfers images of fingerprints and personal information to DOJ in a matter of seconds.

IMPLEMENTATION DATE:

This premise implemented on January 1, 1999.

KEY DATA ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11324.

METHODOLOGY:

Funding is suspended for Fiscal Year (FY) 2012-13 and it is assumed funding will be suspended for FY 2013-14.

FUNDING:

This premise is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

Fee-Exempt Live Scan

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – CCL Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Fee-Exempt Live Scan	$0	$0	$0	$0	$0

FY 2013-14

Item 151 – CCL Administration	**Total**	**Federal**	**State**	**County**	**Reimb.**
Fee-Exempt Live Scan	$0	$0	$0	$0	$0

Registered Sex Offender (RSO) Check

DESCRIPTION:

This premise reflects costs to minimize the risk of predictable and preventable harm to vulnerable children in out-of-home care by detecting the presence/residence of a RSO in prospective and approved licensed facilities and prospective and approved relative/non-related extended family member (NREFM) homes.

On an annual basis the California Department of Social Services, Community Care Licensing (CCL) Division compares transmitted Department of Justice sex offender files against the Child Welfare Services/Case Management System placement information for county-licensed Foster Family Homes (FFHs), Family Child Care Homes (FCCHs) and county-approved relative and NREFM homes. County Welfare Departments (CWDs) are responsible for investigating any address matches, with the exception of relatives and NREFM homes, for the 20 small counties, which are investigated by CCL Division.

The CWDs also check all prospective licensure applicants and relative/NREFM homes against the Megan's Law public website and investigate all address matches. When a match resulting from the annual or prospective check is verified, CWDs take appropriate action, which may include licensure and placement denial, removal of children, finding a new placement and grievance reviews for relatives/NREFMs.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2009.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: The annual Budget Act.
- The hourly cost of a FFH licensing worker is $70.68.
- The hourly cost of a FCCH licensing worker is $66.30.
- It is assumed it will take a FFH and a FCCH licensing worker 31 hours for each administrative action.
- It is assumed that it will take a FFH licensing worker 30.90 hours and a FCCH licensing worker 33 hours to investigate each address match.
- The match rate for Fiscal Year (FY) 2012-13 is 0.10 percent based on the Bureau of State Audits May 2008 report. The match rate for FY 2013-14 is 0.17 percent based on the most recent monthly FFH and FCCH RSO summary reports.
- For FY 2012-13 it is assumed 41 percent of the matches will require administrative action and for FY 2013-14 it is assumed 13 percent of the matches will require administrative action.
- The sharing ratio for FFHs for FY 2012-13 is 35.09 percent federal funds and 64.91 percent General Fund (GF) based on actual expenditures for calendar year 2011.
- The sharing ratio for FFHs for FY 2013-14 is 35.03 percent federal funds and 64.97 percent GF based on actual expenditures for calendar year 2012.

Registered Sex Offender (RSO) Check

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Child Welfare Services program portion of this estimate is included in the Realigned Programs premise.

Annual Check

- The FFH caseload for FY 2012-13 is 7,083 and for FY 2013-14 it is 6,942.
- The FCCH caseload for FY 2012-13 is 3,822 and for FY 2013-14 it is 1,825.

Application Check

- For FY 2012-13, there are 1,997 FFH and 269 FCCH applications received in FY 2010-11.
- For FY 2013-14, there are 2,080 FFH and 214 FCCH applications received in FY 2011-12.
- It is assumed it will take a licensing worker 20 minutes to check an address against the Megan's Law public website.

METHODOLOGY:

- For annual checks, the caseload is multiplied by the match rate, multiplied by the total hours required per investigation, plus the number of administrative actions, multiplied by the number of hours per action and multiplied by the hourly cost of a FFH/FCCH licensing worker.
- For applications received, the caseload is multiplied by the match rate, multiplied by the total hours required per investigation, plus the number of administrative actions, multiplied by the number of hours per action, plus the caseload multiplied by the time it will take to check an address against the Megan's Law public website and multiplied by the hourly cost of a FFH/FCCH licensing worker.

FUNDING:

Federal funding for a FFH is provided by Title IV-E of the Social Security Act. Funding for the remaining costs is 100 percent GF. The FCCH costs are 100 percent GF.

The funding for the CWS program portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

There is no change for FY 2012-13. The FY 2013-14 decrease reflects updated FFH and FCCH projected caseloads and an updated match rate offset by the increase in the percentage requiring administrative actions.

REASON FOR YEAR-TO-YEAR CHANGE:

The increase reflects the increase in the match rate offset by a decrease in the percent requiring administrative action and the FFH and FCCH projected caseloads.

Registered Sex Offender (RSO) Check

EXPENDITURES:
(in 000s)

FY 2012-13

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Registered Sex Offender Check	$98	$27	$71	$0	$0

FY 2013-14

Item 151 – CCL Administration	Total	Federal	State	County	Reimb.
Registered Sex Offender Check	$105	$31	$74	$0	$0

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Court Cases – Item 151

DESCRIPTION:

This premise reflects the costs for attorney fees and settlement costs resulting from lawsuits pertaining to the California Department of Social Services, Budget Item 151 - Social Service Programs, specifically, Child Welfare Services (CWS), Special Programs and Community Care Licensing (CCL).

IMPLEMENTATION DATE:

The attorney fees and settlement costs for these court cases are anticipated to be paid in Fiscal Year (FY) 2012-13 and FY 2013-14.

KEY DATA/ASSUMPTIONS:

The estimate for attorney fees and settlement costs is based, in part, on actual payments for specific cases in FY 2012-13, and a projection of anticipated costs to be paid in FY 2012-13 and FY 2013-14.

The CWS program portion of this estimate is included in the Realigned Programs premise.

FUNDING:

The legal fees and settlement costs are funded 100 percent General Fund.

The funding for the CWS program portion of this estimate is included in the Realigned Programs premise.

CHANGE FROM PRIOR SUBVENTION:

The FY 2012-13 and FY 2013-14 increase reflects updated actual cost information.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease reflects updated actual cost information.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – CCL Funding	**Total**	**Federal**	**State**	**County**	**Reimb.**
Court Cases	$429	$0	$429	$0	$0

FY 2013-14

Item 151 – CCL Funding	**Total**	**Federal**	**State**	**County**	**Reimb.**
Court Cases	$105	$0	$105	$0	$0

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Foster Care Burial

DESCRIPTION:

This premise reflects the costs for the Foster Care Burial program. Foster Care Burial costs are reimbursements by the state that are provided to foster parents for the costs of a burial plot and funeral expenses, up to $5,000 per burial, for a child who is receiving foster care at the time of death.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 11212.

METHODOLOGY:

The estimated costs for Fiscal Year (FY) 2012-13 and FY 2013-14 are held at the FY 1999-00 General Fund (GF) expenditure level of $186,000.

FUNDING:

The Foster Care Burial program is funded with 100 percent GF.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 - Special Programs Services	Total	Federal	State	County	Reimb.
Foster Care Burial	$186	$0	$186	$0	$0

FY 2013-14

Item 151 - Special Programs Services	Total	Federal	State	County	Reimb.
Foster Care Burial	$186	$0	$186	$0	$0

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Assistance Dog Special Allowance (ADSA) Program

DESCRIPTION:

This premise reflects the costs associated with providing a monthly dog food allowance to recipients of federal Social Security Disability Insurance, Supplemental Security Income/State Supplementary Payment and In-Home Supportive Services program participants who have incomes at or below the federal poverty level. Existing law provides that eligible individuals with guide, signal or service dogs are eligible to receive a dog food allowance of $50 per month.

IMPLEMENTATION DATE:

This premise implemented on January 1, 2000.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 12553 and 12554.
- Recipients will receive a monthly dog food allowance of $50 per month.

METHODOLOGY:

The Fiscal Year (FY) 2012-13 and FY 2013-14 estimates are based on year-to-date actual costs and projected caseload growth or 2009 November Estimate level whichever is higher.

FUNDING:

This program is funded with 100 percent General Fund.

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 - Special Programs Services	Total	Federal	State	County	Reimb.
ADSA Program	$554	$0	$554	$0	$0

FY 2013-14

Item 151 - Special Programs Services	Total	Federal	State	County	Reimb.
ADSA Program	$554	$0	$554	$0	$0

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Access Assistance/Deaf Access Program (AA/DAP)

DESCRIPTION:

This premise reflects the costs associated with AA/DAP. Assembly Bill 2980 (Chapter 1193, Statutes of 1980) established AA/DAP in 1980. Assistance under this program enables deaf and hearing-impaired persons to access needed social and community services, e.g., employment services, counseling, interpreting services, education on deafness and advocacy.

This premise also reflects savings from reducing AA/DAP costs by ten percent effective July 1, 2008.

The impact of the federal sequestration reduction is reflected in the Federal Sequestration Reduction premise.

IMPLEMENTATION DATE:

The AA/DAP implemented in 1980. The ten percent reduction on implemented July 1, 2008.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code section 10621.
- In order to expand the program, the $3.0 million total funding was augmented by $2.8 million for a total of $5.8 million in Fiscal Year (FY) 1998-99.
- Currently, eight regional contractors provide services to the hearing-impaired.
- Assumes services will be provided to 193,983 deaf and hearing-impaired Californians in FY 2012-13 and FY 2013-14.
- In FY 2012-13 and FY 2013-14, the program will also be funded with $3.0 million in Title XX funds which offsets General Fund (GF) costs by that same amount. The Title XX funds are included on a separate line and are not included here. For more detail, see the Title XX premise description.
- The reduction reflects savings from reducing FY 1998-99 expenditures by ten percent.

METHODOLOGY:

Funding for both FY 2012-13 and FY 2013-14 is held to the amounts established through the Budget Act of 1999. The estimated savings also reflects a ten percent reduction consistent with FY 1998-99 which is applied to the AA/DAP Program – Basic Costs line and corresponding Title XX funding block grant line.

FUNDING:

This program is funded with GF and Title XX funds. The Title XX block grant reduces the amount of GF in the program. Title XX funding appears on a separate line as an adjustment. The savings for this premise reflects a ten percent reduction to the GF and the Title XX block grant.

Access Assistance/Deaf Access Program (AA/DAP)

CHANGE FROM PRIOR SUBVENTION:

There is no change.

REASON FOR YEAR-TO-YEAR CHANGE:

There is no change.

EXPENDITURES:

(in 000s)

FY 2012-13

Item 151 – Special Programs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
AA/DAP – Basic Costs	$5,804	$0	$5,804	$0	$0
AA/DAP – Reduce Services by Ten Percent	-581	-300	-281	0	0

FY 2013-14

Item 151 – Special Programs Services	**Total**	**Federal**	**State**	**County**	**Reimb.**
AA/DAP – Basic Costs	$5,804	$0	$5,804	$0	$0
AA/DAP – Reduce Services by Ten Percent	-581	-300	-281	0	0

Title XX Funding

DESCRIPTION:

This premise reflects the Title XX Social Services Block Grant (SSBG) awarded to the state as well as the Temporary Assistance for Needy Families (TANF) funds that are transferred to Title XX. This funding is provided under Title XX of the federal Social Security Act as amended by the federal Omnibus Budget Reconciliation Act of 1981. Federal funding for social services has been given to states under Title XX since October 1981. In order to qualify for these funds, a state must prepare an expenditure plan prior to the start of the Fiscal Year (FY) that is consistent with the five Title XX goals:

1. Achieving or maintaining economic self-support to prevent, reduce or eliminate dependency.
2. Achieving or maintaining self-sufficiency, including reduction or prevention of dependency.
3. Preventing or remedying neglect, abuse or exploitation of children or adults unable to protect their own interests; or preserving, rehabilitating or reuniting families.
4. Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less-intensive care.
5. Securing referral or admission for institutional care when other forms of care are not appropriate or providing services to individuals in institutions.

Through FY 1992-93, Title XX funds were used exclusively to fund the In-Home Supportive Services program. With the implementation of the Title XIX Personal Care Services Program in 1993, a portion of the Title XX funds were shifted to other eligible programs. Those funds now support the following programs:

- Deaf Access Program (DAP) (goals 1 and 2)
- Foster Care (FC) services (goal 3)
- Child Welfare Services (CWS) (goals 3 and 4)

The impacts of the federal sequestration reductions are reflected in the Federal Sequestration Reduction premise.

KEY DATA/ASSUMPTIONS:

- Authorizing statute: Welfare and Institutions Code sections 13000 through 13008.
- State legislation permits Title XX funds to be used in FC and CWS to supplant the state share without affecting county funds.
- The FC program portion of this estimate is included in the Realigned Programs premise.
- A portion of the CWS programs has been realigned and is included in the Realigned Programs premise; however, all Title XX estimated eligible expenditures are displayed here for reference.
- The non-realigned CWS premises with eligible Title XX costs consist of the CWS/Case Management System Application premises. Please refer to the corresponding premises for additional information.

Title XX Funding

KEY DATA/ASSUMPTIONS (CONTINUED):

- The Title XX SSBG funding awarded to California is $150.9 million for Federal Fiscal Year (FFY) 2011 and FFY 2012. The amount of TANF funds to be transferred to Title XX is $366.0 million in FY 2012-13 and $364.8 million in FY 2013-14.
- The FFY awards are adjusted to conform to FY funding needs.

METHODOLOGY:

- In the DAP, $3.0 million in Title XX SSBG funds for both FY 2012-13 and FY 2013-14 will reduce the General Fund (GF) share in an otherwise 100 percent GF program.
- In FY 2012-13 and FY 2013-14, $20.0 million of TANF funds may be transferred to Title XX for child care: $10.0 million for California Department of Social Services' Stage One Child Care program and $10.0 million for the California Department of Education's child care programs, in order to broaden access to Child and Adult Care Food Program benefits for low-income children in proprietary child care centers. The FY 2012-13 and FY 2013-14 reflect an additional TANF Title XX amount of $153.7 million and $152.5 million, respectively, to fund Stage One Child Care.

FUNDING:

- The Title XX SSBG is federal funding that does not require a state or county match.
- The funding for the FC program portion of this estimate is included in the Realigned Programs premise.
- A portion of the CWS funding is realigned and is included in the Realigned Programs premise.
- The TANF Transfer to Title XX funding are federal funds converted from the TANF Block Grant for Title XX purposes.

CHANGE FROM PRIOR SUBVENTION:

The increase in the total Title XX Transfer from TANF in both FY 2012-13 and FY 2013-14 is due to a decrease in needed Tribal TANF funds. The increase in the amount of TANF transferred to Stage One Child Care through Title XX in both FY 2012-13 and FY 2013-14 is due to a decrease in needed Tribal TANF funds.

REASON FOR YEAR-TO-YEAR CHANGE:

The decrease in TANF funds transferred to Title XX is due to increased Tribal TANF costs in FY 2013-14. The decrease in the amount of TANF funds transferred to Stage One Child Care through Title XX is due to increased Tribal TANF costs in FY 2013-14.

Title XX Funding

EXPENDITURES:
(in 000s)

FY 2012-13

Total Title XX Funding	**Federal Funds**
Title XX Grant	$150,899
TANF Transfer In	365,965
Title XX Grant	**Federal Funds**
Item 151 – CWS Grant Transfer to DDS	$147,903
Item 151 – Deaf Access (AA/DAP) Grant*	2,996
TANF Transfer In	**Federal Funds**
Item 101 – FC TANF Transfer*	$30,303
Item 153 – Waiver TANF Transfer*	21,473
Item 151 – CWS TANF Transfer to DDS	77,157
Item 151 – CWS TANF Transfer*	39,160
Item 153 – Waiver TANF Transfer*	24,150
TANF Reconciliation – CalWORKs Child Care	163,722

FY 2013-14

Total Title XX Funding	**Federal Funds**
Title XX Grant	$150,899
TANF Transfer In	364,773
Title XX Grant	**Federal Funds**
Item 151 – CWS Grant Transfer to DDS	$147,903
Item 151 – Deaf Access (AA/DAP) Grant*	2,996
TANF Transfer In	**Federal Funds**
Item 101 – FC TANF Transfer*	$30,303
Item 153 – Waiver TANF Transfer*	21,473
Item 151 – CWS TANF Transfer to DDS	77,157
Item 151 – CWS TANF Transfer*	39,160
Item 153 – Waiver TANF Transfer*	24,150
TANF Reconciliation – CalWORKs Child Care	162,530

***** *Detail Table Line also includes a corresponding decrease in State General Fund.*

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California Work Opportunity and Responsibility to Kids (CalWORKs) Non-Maintenance of Effort (MOE)

DESCRIPTION:

This premise shifts the General Fund (GF) for CalWORKs cases with an unaided but work-eligible adult from the MOE GF category (GF counted toward the Temporary Assistance for Needy Families [TANF] MOE requirement) to the non-MOE GF category. Non-MOE GF cases include all Safety Net cases and cases in which the parent is a drug or fleeing felon. These CalWORKs cases will be solely state-funded and will be removed from the TANF work participation rate calculation.

IMPLEMENTATION DATE:

This premise was scheduled to implement April 1, 2013, as of the 2012 November Estimate. Implementation has been delayed until July 1, 2013, to allow time to finalize new aid codes and develop claiming instructions.

KEY DATA/ASSUMPTIONS:

- Cases that will no longer be funded with MOE GF are assistance units that include an unaided adult who is either:
  - a drug or fleeing felon, or
  - an adult who has exceeded the CalWORKs time limit (Safety Net).
- The felon caseload is estimated at approximately 10,500 cases for Fiscal Year (FY) 2013-14.
- The Safety Net caseload is projected to be approximately 72,300 cases for FY 2013-14.
- Assumes administrative costs of $54.24 (including additional work verification costs) and grant costs of $402.33 (consistent with the Safety Net and drug and fleeing felon caseload) per case per month.
- Assumes services and child care costs of $2.70 million and $2.74 million, respectively, in FY 2013-14 consistent with the methodology for funding services and child care for Safety Net cases. For more description of the methodology, see the CalWORKs Employment Services and/or CalWORKs Child Care – Stage One Services and Administration premises.

METHODOLOGY:

The estimated cost shift is the sum of the administrative and monthly grant costs multiplied by the average affected monthly caseload multiplied by the number of months. Services and child care costs are equivalent to the costs budgeted for Safety Net cases within the specific premises listed in the Key Data/Assumptions section above.

California Work Opportunity and Responsibility to Kids (CalWORKs) Non-Maintenance of Effort (MOE)

FUNDING:

Assistance costs are funded with 97.5 percent non-MOE GF and 2.5 percent county funds (not countable towards the MOE). The administrative, services and child care costs are funded with 100 percent non-MOE GF.

CHANGE FROM PRIOR SUBVENTION:

The decrease in the funding shift from MOE to Non-MOE in FY 2012-13 is due to delayed implementation, resulting in these cases continuing to be funded with MOE GF. The increase in the funding shift in FY 2013-14 is due to the inclusion of all Safety Net cases, not only those not meeting federal work participation requirements; increased drug and fleeing felon caseload; and the addition of services and child care costs.

REASON FOR YEAR-TO-YEAR CHANGE:

This premise implements July 2013.

EXPENDITURES:

(in 000s)

FY 2012-13

Non-TANF/MOE Eligible Expend.	Total	Federal	State	County	Reimb.
CalWORKs Non-MOE	$0	$0	$0	$0	$0

FY 2013-14

Non-TANF/MOE Eligible Expend.	Total	Federal	State	County	Reimb.
CalWORKs Non-MOE	-$459,294	$0	-$446,596	-$12,698	$0

Cost-of-Doing-Business

DESCRIPTION:

This premise reflects the provision contained in Assembly Bill (AB) 1808 (Chapter 75, Statutes of 2006) which requires the California Department of Social Services (CDSS) to estimate the costs for county administration using county-specific cost factors in the programs' budgeting methodology and requires county certification of "reasonable" costs for California Work Opportunity and Responsibility to Kids (CalWORKs) Administration, CalFresh Administration, Foster Care, In-Home Supportive Services (IHSS) and Child Welfare Services (CWS).

The statute requires CDSS to develop, in consultation with the County Welfare Directors Association (CWDA), a survey process to collect reasonable county specific cost data. The CDSS shall identify in its budget documents the estimates developed and the difference between these estimates and proposed funding levels.

IMPLEMENTATION DATE:

This premise implemented on July 1, 2007.

KEY DATA/ASSUMPTIONS:

Authorizing statute: Welfare and Institutions Code section 10507.

METHODOLOGY:

This premise reflects the estimated difference between the raw data as reported on the counties' cost-of-doing-business survey in the 2011 May Revision process and the proposed funding levels for Fiscal Year (FY) 2013-14.

For the Adoptions program, the costs reflect the FY 2013-14 estimated difference between the proposed funding level and the projected program costs of the 28 counties who are providing adoption services. The projected Adoptions program costs are based on FY 2012-13 actual expenditures updated with the California Necessities Index.

FUNDING:

Funding will vary depending on program area.

CHANGE FROM PRIOR SUBVENTION:

Cost-of-doing-business data is only displayed in the May Revision process. The FY 2013-14 estimated difference between the data as reported by the counties' cost-doing-business survey in the 2011 May Revision and the proposed funding levels is inclusive of each program's associated premise.

REASON FOR YEAR-TO-YEAR CHANGE:

The FY 2013-14 estimate is based on the data as reported in the cost-of-doing-business survey submitted by the counties in the 2011 May Revision process. Year-to-year changes are primarily due to the impact of changes in caseload and county staffing.

Cost-of-Doing-Business

2011 May County Request versus 2013 May Budget
(Dollars in thousands)

FY 2013-14	TOTAL	FEDERAL	STATE TANF	* 2011 REALIGNMENT	COUNTY	REIMB (Title XIX)
CalWORKs-Admin	$269,896	$0	$269,896	$0	$0	$0
CalWORKs-EmpSvcs	52,909	0	52,909	0	0	0
CalFresh Admin	-280,708	-129,469	-121,246	0	-29,993	0
IHSS Admin	117,027	0	43,248	0	18,620	55,159
Foster Care Admin	27,226	13,403	0	5,307	8,516	0
CWS	175,305	-74,241	0	167,074	84,668	-2,196
Adoptions **	43,659	44,984	0	-1,325	0	0
NET DIFFERENCE	**$405,314**	**-$145,323**	**$244,807**	**$171,056**	**$81,811**	**$52,963**

Note: Costs reflect the statewide difference between the data as reported in the county surveys and the proposed funding levels.

*AB 118 Realignment - Effective July 2011, AB 118 (Chapter 40, Statutes of 2011) and ABX1 16 (Chapter 13, First Extraordinary Session, Statutes of 2011) realigned the funding for the following programs by shifting funding responsibility from the state to local governments: Adoption Assistance Program; Adoptions Program; Foster Care; CWS; Adult Protective Services and the Child Abuse Prevention, Intervention and Treatment Program. Specified tax revenues are to be redirected to the counties on an ongoing basis to fund this realignment.

** Adoptions – the costs represent only the 28 counties that provide Agency (Relinquishment) Adoptions Services.